

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2017-7-G

In the Matter Of)	
)	
Application of Piedmont Natural Gas Company, Inc. to Have the Terms of the Natural Gas Rate Stabilization Act Apply to the Company's Rates and Charges for Gas Distribution Services)	<u>NOTICE OF FILING OF QUARTERLY MONITORING REPORT AND PROPOSED RATE CHANGES</u>

Piedmont Natural Gas Company, Inc. ("Piedmont"), through counsel and pursuant to Sections 58-5-430 and 58-5-440 of the South Carolina Natural Gas Rate Stabilization Act ("Act"), hereby submits (1) its quarterly monitoring report for the twelve-month period ending March 31, 2017, and (2) the required revenue deficiency calculations and proposed changes to its tariff rates necessary to permit Piedmont the opportunity to earn the rate of return on common equity established in its last general rate case as specified in Section 58-5-420(1). Piedmont requests that the Public Service Commission of South Carolina ("Commission") review and accept the attached documents consistent with Sections 58-5-430 and 58-5-440 of the Act and issue an initial order approving the proposed rate changes set forth in this filing on or before October 15, 2017 in conformance with the procedures set forth in Section 58-5-455 of the Act. In this filing, Piedmont also proposes changes to its tariffs to reflect the consolidation of the value/standard classifications under its residential, small general and medium general rate schedules and proposes modifications to its fixed gas cost allocation factors. The justification for these proposed changes is set forth herein.

In support of this filing, Piedmont respectfully shows unto the Commission as follows:

1. Any notices or other communications with respect to this matter should be sent to:

Scott M. Tyler
James H. Jeffries IV
Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
Telephone: (704) 331-2463

2. On April 25, 2005, Piedmont provided notice to the Commission of its election of the application of the terms of the Act to Piedmont's rates and charges for gas distribution services provided within the state of South Carolina. In conjunction with its election and as required by Sections 58-5-410 and 58-5-420, Piedmont requested that the Commission make findings and establish ongoing procedures as required to make prospective adjustments to Piedmont's base rates utilizing the rates, charges, revenues, expenses, capital structure, returns, and other matters established in Piedmont's most recent general rate proceeding in Docket No. 2002-63-G.

3. Consistent with its prior election for application of the Act to its rates and charges, and pursuant to the requirements of Section 58-5-430 of the Act, Piedmont has attached hereto various schedules constituting its quarterly monitoring report to the Commission for the twelve-month period ended March 31, 2017. In conformance with the requirements of Section 58-5-440 of the Act, Piedmont has also included in the schedules attached hereto the calculated revenue deficiency resulting from Piedmont's current rates. This deficiency results in a return on common equity under existing rates that is 657 basis points below that approved in Piedmont's last general rate case. The attached schedules also reflect proposed rate revisions, calculated in conformance with the rate allocation principles approved in Piedmont's last general rate case,

needed to return Piedmont's rate of return on common equity to the midpoint of the range specified by Section 58-5-420(1).

4. The Schedules attached hereto and incorporated herein by reference consist of the following:

- (1) Present Rate Schedules are incorporated herein by reference as filed in GCRM-143 effective as of the first billing cycle in April, 2017;
- (2) Present and Proposed Rate Schedules;
- (3) Gas Plant at Original Cost;
- (4) Depreciation Schedule;
- (5) Materials and Supplies;
- (6) Cash Working Capital;
- (7) Net Operating Income and Return;
- (8) Pro Forma Revenues;
- (9) Proposed Revenues;
- (10) Revenue Reconciliation;
- (11) WNA Factors.

5. The *pro forma* revenue calculations shown on Schedule 7 indicate that \$17,223,522 in additional margin is required to permit Piedmont the opportunity to earn a rate of return on equity equal to the approved rate of return on equity adopted in Docket No. 2002-63-G, Piedmont's last general rate case.

6. Based upon the calculations provided in Schedules 3 through 11, Piedmont proposes the changes to its tariff rates reflected in Schedule 2 hereto.

7. The revised Rate Schedules provided in Attachment A hereto reflect tariff changes related to Piedmont's proposed elimination of the standard/value classifications

previously applicable to firm sales service to its residential, small general and medium general customers in South Carolina. The elimination of these classifications in favor of single rate schedules applicable to its residential, small general, and medium general customers is consistent with the synchronization of rates for value and standard customers within each customer class that Piedmont has pursued for a number of years. This synchronization, which is consistent with the manner in which Piedmont provides service to customers in both North Carolina and Tennessee, is designed to eliminate the inherent incentive to use more gas in order to receive lower rates which otherwise is created by rate differentials between value and standard customers. In Piedmont's view, the value/standard rate differentials were initially justified on cost-causation principles but the incentive created thereby seems less desirable in an age when there is a premium and articulated public policy on conservation of natural resources and the promotion of reduced per customer usage of energy. With the synchronization of rates between the value and standard classifications for residential, small general and medium general customers – which has been accomplished in previous RSA proceedings – there is no functional difference between service provided under the value and standard rate schedules. As such, Piedmont has herein consolidated those schedules into single rate schedules (Rate Schedule 201, Rate Schedule 202 and Rate Schedule 252) applicable respectively to residential service, small general service, and medium general service. Piedmont has also made conforming changes to its South Carolina Service Regulations. Piedmont respectfully requests approval of these proposed tariff modifications in the Commission's October 15, 2017 Order.

8. Piedmont also proposes to revise its fixed gas cost allocation factors to those reflected on Attachment B hereto, aligning current natural gas usage profiles by customer class

with the fixed gas cost causation principles (sales and balancing) accepted in the Company's last general rate case.

9. Consistent with the requirements of Sections 58-5-430 and 58-5-455, Piedmont is concurrently serving copies of this filing on the Office of Regulatory Staff, all parties of record to this proceeding and any other interested party that has requested in writing to receive such filings.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission accept and review Piedmont's quarterly monitoring report for the twelve-month period ended March 31, 2017 and issue an Initial Order approving Piedmont's proposed rate adjustments, tariff changes, and revised fixed gas cost allocation factors, on or before October 15, 2017.

Respectfully submitted, this the 15th day of June, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.

s/ Scott M. Tyler
Scott M. Tyler

OF COUNSEL:

Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
(704) 331-2463

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached Notice is being served this date via email and UPS Overnight delivery upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that one copy of the attached Notice is being served this date via email or U.S. Mail addressed as follows:

Scott Elliott
South Carolina Energy Users Committee
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, South Carolina 29201

Bruce Barkley
Vice President
Regulatory and Community Relations
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@piedmontng.com

Pia Powers
Director – Gas Rates & Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 15th day of June, 2017.

s/ Scott M. Tyler
Scott M. Tyler

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

VERIFICATION

Pia K. Powers, being duly sworn, deposes and says that she is Director – Gas Rates & Regulatory Affairs for Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

Pia K. Powers
Pia K. Powers

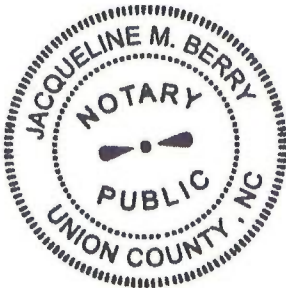
Mecklenburg County, North Carolina
Signed and sworn to before me this day Pia K. Powers

Date: 6/14/2017

Jacqueline M. Berry
Jacqueline M. Berry, Notary Public

(Official Seal)

My commission expires: 11/29/2021

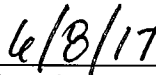


CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

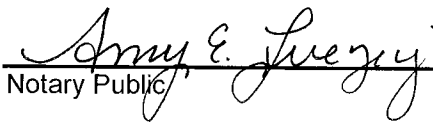


Lynn J. Good
Chairman, President and CEO



Date Signed

Subscribed and Sworn to before me this
8th day of June, 2017.


Notary Public

My Commission Expires 11/16/17.



CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Steven K. Young
Steven K. Young
Executive Vice President and CFO

June 9, 2017
Date Signed

Subscribed and Sworn to before me this
9 day of June, 2017.

Deborah S Rome
Notary Public Deborah S Rome

My Commission Expires 1-24-2020



Piedmont Natural Gas Company, Inc.

Index to Schedules

Period Ended March 31, 2017

- SCHEDULE 1 - Present Rate Schedules are incorporated herein by reference as filed in GCRM-143 effective as of the first billing cycle in April, 2017.
- SCHEDULE 2 - Present and Proposed Rate Schedules.
- SCHEDULE 3 - Gas Plant at Original Cost.
- SCHEDULE 4 - Depreciation Schedule.
- SCHEDULE 5- Materials and Supplies.
- SCHEDULE 6 - Cash Working Capital.
- SCHEDULE 7 - Net Operating Income and Return.
- SCHEDULE 8 - Pro Forma Revenues.
- SCHEDULE 9 - Proposed Revenues.
- SCHEDULE 10 - Revenue Reconciliation.
- SCHEDULE 11 - WNA Factors.

SCHEDULE 1

**(Incorporated herein by reference as filed in GCRM-143
effective as of the first billing cycle in April, 2017)**

SCHEDULE 2

Piedmont Natural Gas Company, Inc
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

South Carolina
Rate Schedules

	(a) April 2017 Current <u>Billing Rates</u> ¹	(b) Proposed Margin Rate <u>Change</u>	(c) Proposed Demand Rate <u>Change</u>	(d) November 2017 Proposed <u>Billing Rates</u>
201 Residential Service				
Monthly Charge-winter	10 00	-	-	10 00
Monthly Charge-summer	8 00	-	-	8 00
Winter (Nov -Mar) per therm	0 89580	0 16378	0 01597	1 07355
Summer (Apr -Oct) per therm	0 84433	0 14474	0 01597	1 00504
221 Residential Service - Standard				
Monthly Charge-winter	10 00	rate schedule discontinued - see Rate Schedule 201 for Residential rates		
Monthly Charge-summer	8 00	rate schedule discontinued - see Rate Schedule 201 for Residential rates		
Winter (Nov -Mar) per therm	0 89580	rate schedule discontinued - see Rate Schedule 201 for Residential rates		
Summer (Apr -Oct) per therm	0 84433	rate schedule discontinued - see Rate Schedule 201 for Residential rates		
205 Outdoor Gas Light Service				
Monthly Charge	\$15 00	-	-	\$15 00
202 Small General Service				
Monthly Charge	22 00	-	-	22 00
Winter (Nov -Mar) per therm	0 80534	0 11400	(0 01101)	0 90833
Summer (Apr -Oct) per therm	0 79269	0 10992	(0 01101)	0 89160
232 Small General Service-Value				
Monthly Charge	22 00	rate schedule discontinued - see Rate Schedule 202 for Small General Service rates		
Winter (Nov -Mar) per therm				
First 2,000	0 80534	rate schedule discontinued - see Rate Schedule 202 for Small General Service rates		
Over 2,000	0 80534	rate schedule discontinued - see Rate Schedule 202 for Small General Service rates		
Summer (Apr -Oct) per therm				
First 2,000	0 79269	rate schedule discontinued - see Rate Schedule 202 for Small General Service rates		
Over 2,000	0 79269	rate schedule discontinued - see Rate Schedule 202 for Small General Service rates		
252 Medium General Service				
Monthly Charge	75 00	-	-	75 00
Winter (Nov -Mar) per therm	0 72494	0 11400	0 04047	0 87941
Summer (Apr -Oct) per therm	0 71229	0 10992	0 04047	0 86268
262 Medium General Service-Value				
Monthly Charge	75 00	rate schedule discontinued - see Rate Schedule 252 for Medium General Service rates		
Winter (Nov -Mar) per therm				
First 5,000	0 72494	rate schedule discontinued - see Rate Schedule 252 for Medium General Service rates		
Over 5,000	0 72494	rate schedule discontinued - see Rate Schedule 252 for Medium General Service rates		
Summer (Apr -Oct) per therm				
First 5,000	0 71229	rate schedule discontinued - see Rate Schedule 252 for Medium General Service rates		
Over 5,000	0 71229	rate schedule discontinued - see Rate Schedule 252 for Medium General Service rates		
242 Natural Gas Vehicle Fuel Service				
Winter (Nov -Mar) per therm	0 75519	0 09218	(0 09828)	0 74909
Summer (Apr -Oct) per therm	0 81275	0 09218	(0 15584)	0 74909
Winter (Nov -Mar) per GGE ²	0 95154			0 94385
Summer (Apr -Oct) per GGE ²	1 02407			0 94385
243 Experimental Motor Vehicle Fuel Service				
Facilities Charge		reflected in customer's qualifying rate schedule		
Winter (Nov -Mar)		reflected in customer's qualifying rate schedule		
Summer (Apr -Oct)		reflected in customer's qualifying rate schedule		
203 Large General Sales Service				
Monthly Charge	\$250 00	-	-	\$250 00
Billing Demand per therm	1 03565	-	0 26435	1 30000
Winter (Nov -Mar) per therm				
First 15,000	0 57490	-	(0 02790)	0 54700
Next 15,000	0 50342	-	(0 02113)	0 48229
Next 75,000	0 47061	-	(0 03645)	0 43416
Next 165,000	0 38025	-	0 06077	0 38102
Next 330,000	0 33388	-	-	0 33388
Over 600,000	0 30531	-	0 00500	0 31031
Summer (Apr -Oct) per therm				
First 15,000	0 48099	-	(0 00827)	0 47272
Next 15,000	0 43195	-	(0 00536)	0 42659
Next 75,000	0 43677	-	(0 03975)	0 39702
Next 165,000	0 37063	-	(0 00818)	0 36245
Next 330,000	0 32888	-	0 00500	0 33388
Over 600,000	0 30531	-	0 00500	0 31031

Piedmont Natural Gas Company, Inc
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

South Carolina
Rate Schedules

	(a) April 2017 Current <u>Billing Rates</u> ¹	(b) Proposed Margin Rate <u>Change</u>	(c) Proposed Demand Rate <u>Change</u>	(d) November 2017 Proposed <u>Billing Rates</u>
204 Interruptible Sales Service				
Monthly Charge	\$250.00	-	-	\$250.00
Winter (Nov -Mar) per therm				
First 15,000	0.64070	-	(0.07170)	0.56900
Next 15,000	0.56657	-	(0.06128)	0.50529
Next 75,000	0.51905	-	(0.06089)	0.45816
Next 165,000	0.53925	-	(0.12723)	0.41202
Next 330,000	0.36976	-	(0.00588)	0.36388
Over 600,000	0.34531	-	(0.01000)	0.33531
Summer (Apr -Oct) per therm				
First 15,000	0.49081	-	0.00391	0.49472
Next 15,000	0.44595	-	0.00364	0.44959
Next 75,000	0.42071	-	0.00031	0.42102
Next 165,000	0.40478	-	(0.01133)	0.39345
Next 330,000	0.36521	-	(0.00133)	0.36388
Over 600,000	0.31531	-	0.02000	0.33531
213 Large General Transportation Service				
Monthly Charge	\$250.00	-	-	\$250.00
Standby Demand per therm	0.46759	-	(0.01759)	0.45000
Billing Demand per therm	0.56806	-	0.23194	0.80000
Winter (Nov -Mar) per therm				
First 15,000	0.24509	-	(0.01909)	0.22600
Next 15,000	0.17875	-	(0.01846)	0.16029
Next 75,000	0.13246	-	(0.01390)	0.11856
Next 165,000	0.02500	-	0.04602	0.07102
Next 330,000	0.03437	-	(0.00499)	0.02938
Over 600,000	0.00531	-	0.00500	0.01031
Summer (Apr -Oct) per therm				
First 15,000	0.17380	-	(0.02208)	0.15172
Next 15,000	0.12516	-	(0.02057)	0.10459
Next 75,000	0.09815	-	(0.01673)	0.08142
Next 165,000	0.07290	-	(0.02045)	0.05245
Next 330,000	0.02768	-	0.00170	0.02938
Over 600,000	0.00531	-	0.00500	0.01031
214 Interruptible Transportation Service				
Monthly Charge	\$250.00	-	-	\$250.00
Winter (Nov -Mar) per therm				
First 15,000	0.24448	-	(0.01348)	0.23100
Next 15,000	0.17776	-	(0.00747)	0.17029
Next 75,000	0.12968	-	(0.00652)	0.12316
Next 165,000	0.08176	-	(0.00744)	0.07432
Next 330,000	0.03479	-	(0.00091)	0.03388
Over 600,000	0.00531	-	0.00500	0.01031
Summer (Apr -Oct) per therm				
First 15,000	0.17350	-	(0.01678)	0.15672
Next 15,000	0.12464	-	(0.01005)	0.11459
Next 75,000	0.09459	-	(0.00857)	0.08602
Next 165,000	0.07253	-	(0.01678)	0.05575
Next 330,000	0.05668	-	(0.02280)	0.03388
Over 600,000	0.00531	-	0.00500	0.01031

¹ The rates in Column (a) are the same as those shown in the Company's ETariff filing revision #E2017-51 (Version 27), which was approved on 4/12/2017

² The rates convert 1.26 therms to 1 GGE

SCHEDULE 3

Schedule 3

Piedmont Natural Gas Company, Inc.
Original Cost of Property Used and Useful
in Public Service in South Carolina
March 31, 2017

<u>Line No.</u>	<u>Title of Account</u>	
1	Intangible Plant	\$ 146,199
2	Production Plant	-
3	Local Storage Plant	18,771,427
4	Transmission Plant	91,298,033
5	Distribution Plant	374,761,994
6	General Plant	<u>47,941,854</u>
7	Total	<u>\$ 532,919,506</u>

SCHEDULE 4

Piedmont Natural Gas Company, Inc.
 South Carolina Operations
 Accumulated Depreciation, Depreciation Policy and Rates
 March 31, 2017

Accumulated Depreciation

Per books as of March 31, 2017

\$219,848,266

Depreciation Policy

Piedmont computes depreciation expense monthly using the straight-line method applied to end-of-the-month depreciable costs.

The Company is booking depreciation expense at the depreciation rates recommended in a depreciation study performed as of 2014. These depreciation rates were approved as a result of the Commission's findings in Docket No. 2016-7-G, Order No. 2016-705.

Piedmont allocates depreciation expense on the LNG plants located in North Carolina between South Carolina and North Carolina on the basis of design-day demand during the test period. We allocate depreciation expense on other jointly-used property between South Carolina, North Carolina and Tennessee or between South Carolina and North Carolina only, on the basis of net plant depending upon the actual usage of the property.

Piedmont computes depreciation expense on transportation equipment over estimated useful lives after deducting from the original cost an estimated salvage value of 20% for passenger cars, trucks and heavy equipment.

Depreciation Rates

Based on plant in service as of March 31, 2017, the current composite depreciation rates are:

Intangible Plant	0.00%
Production Plant	0.00%
Local Storage Plant	3.20%
Transmission Plant	1.52%
Distribution Plant	2.27%
General Plant	5.33%

SCHEDULE 5

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Average Materials and Supplies
March 31, 2017

Schedule 5

Line
No.

1	Operating and Construction Supplies (a)	\$ 449,964
2	Natural Gas Stored (b)	<u>6,425,025</u>
3	Total	<u>\$ 6,874,989</u>

(a) Includes Materials Distribution Center inventory allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of December 31, 2016 (8.12% to SC).

(b) Allocated to South Carolina on the basis of design day in South Carolina and North Carolina. (14.92% to SC).

SCHEDULE 6

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Cash Working Capital
March 31, 2017

Line
No.

1	One-Eighth (12.5%) of Operations and Maintenance Expenses	\$	4,499,707
2	Prepayments (a)		485,613
3	Average Tax Accruals		<u>58,352</u>
4	Total	\$	<u><u>5,043,672</u></u>

(a) Allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2017 (8.31% to SC).

SCHEDULE 7

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Updated Net Operating Income and Rate of Return
For The Twelve Months Ended March 31, 2017

	(1) Per Filing	(2) Accounting and Pro Forma Adjustments	(3) After Accounting and Pro Forma Adjustments	(4) Adjustments for Proposed Margin	(5) Adjustments for Demand Costs	(6) After Adjustments for Proposed Rates
<u>Operating Revenues</u>						
1 Sales and Transportation of Gas	\$ 123,966,370	\$ 16,518,828 (1)	\$ 140,485,198	\$ 17,223,522 (11)	\$ 329,312 (17)	\$ 158,038,032
2 Other Operating Revenues	744,597	-	744,597	-	-	744,597
3 Total Operating Revenues	<u>\$ 124,710,967</u>	<u>\$ 16,518,828</u>	<u>\$ 141,229,795</u>	<u>\$ 17,223,522</u>	<u>\$ 329,312</u>	<u>\$ 158,782,629</u>
<u>Operating Expenses</u>						
4 Cost of Gas	\$ 48,791,277	\$ 15,276,977 (2)	\$ 64,068,254	\$ -	\$ 326,609 (18)	\$ 64,394,863
5 Operations and Maintenance	35,997,654	(270,319) (3)	35,727,335	54,149 (12)	1,035 (19)	35,782,519
6 Depreciation	12,517,121	(20,145) (4)	12,496,976	-	-	12,496,976
7 General Taxes	6,158,047	810,082 (5)	6,968,129	87,223 (13)	1,668 (20)	7,057,020
8 State Income Taxes	263,334	514,218 (6)	777,552	854,108 (14)	-	1,631,660
9 Federal Income Taxes	3,416,773	1,753,951 (7)	5,170,724	5,679,815 (15)	-	10,850,539
10 Amortization of Investment Tax Credits	(19,897)	-	(19,897)	-	-	(19,897)
11 Total Operating Expenses	<u>\$ 107,124,310</u>	<u>\$ 18,064,764</u>	<u>\$ 125,189,073</u>	<u>\$ 6,675,295</u>	<u>\$ 329,312</u>	<u>\$ 132,193,680</u>
12 Net Operating Income	\$ 17,586,658	\$ (1,545,936)	\$ 16,040,721	\$ 10,548,227	\$ -	\$ 26,588,948
13 Interest on Customers' Deposits	(80,836)	-	(80,836)	-	-	(80,836)
14 Amortization of Debt Redemption Premium	-	- (8)	-	-	-	-
15 Allowance for Funds Used During Construction	352,780	-	352,780	-	-	352,780
16 Customer Growth	121,348	(10,667) (9)	110,681	72,783 (16)	-	183,464
17 Net Operating Income for Return	<u>\$ 17,979,950</u>	<u>\$ (1,556,603)</u>	<u>\$ 16,423,346</u>	<u>\$ 10,621,010</u>	<u>\$ -</u>	<u>\$ 27,044,356</u>
<u>Original Cost Rate Base</u>						
18 Plant in Service	\$ 532,919,506	\$ -	\$ 532,919,506			\$ 532,919,506
19 Accumulated Depreciation	(219,848,266)	-	(219,848,266)			(219,848,266)
20 Net Plant in Service	\$ 313,071,240	\$ -	\$ 313,071,240			\$ 313,071,240
21 Add:						
21 Construction Work in Progress	53,837,605	-	53,837,605			53,837,605
22 Materials and Supplies	6,874,989	-	6,874,989			6,874,989
23 Cash Working Capital	5,043,672	(33,790) (10)	5,009,882			5,009,882
24 Deduct:						
24 Customers' Advances	-	-	-			-
25 Customers' Deposits	2,165,671	-	2,165,671			2,165,671
26 Accumulated Deferred Income Taxes	71,735,436	-	71,735,436			71,735,436
27 Unclaimed Funds	95,348	-	95,348			95,348
28 Original Cost Rate Base	<u>\$ 304,831,051</u>	<u>\$ (33,790)</u>	<u>\$ 304,797,261</u>			<u>\$ 304,797,261</u>
<u>Rate of Return</u>						
29 On Original Cost Rate Base	<u>5.90%</u>		<u>5.39%</u>			<u>8.87%</u>

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Return on Common Equity and Original
Cost Net Investment
For The Twelve Months Ended March 31, 2017

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			<u>After Accounting and Pro Forma Adjustments</u>						
	<u>Per Books</u>	<u>Accounting and Pro Forma Adjustments</u>	<u>Adjusted Capitalization</u>	<u>Calculated Ratio</u>	<u>Ratio</u>	<u>Cost Net Investment</u>	<u>Embedded Cost</u>	<u>Overall Cost Rate</u>	<u>Net Operating Income</u>
1 Long-Term Debt	\$ 1,781,795,779	\$ 249,450,000	\$ 2,031,245,779	53.48%	47.00%	\$ 143,254,713	4.67%	2.19%	\$6,689,995
2 Common Equity	<u>1,767,037,118</u>	<u>-</u>	<u>1,767,037,118</u>	<u>46.52%</u>	<u>53.00%</u>	<u>161,542,548</u>	6.03%	<u>3.19%</u>	<u>9,733,351</u>
3 Total	<u>\$ 3,548,832,897</u>	<u>\$ 249,450,000</u>	<u>\$ 3,798,282,897</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 304,797,261</u>		<u>5.39%</u>	<u>\$16,423,346</u>

(10)	(11)	(12)
<u>After Adjustments for Proposed Rates</u>		
Embedded Cost %	Overall Cost Rate %	Net Operating Income
4.67%	2.19%	\$ 6,689,995
12.60%	<u>6.68%</u>	<u>20,354,361</u>
	<u>8.87%</u>	<u>\$ 27,044,356</u>

Piedmont Natural Gas Company, Inc.
 South Carolina Operations
 Accounting and Pro Forma Adjustments
 For The Twelve Months Ended March 31, 2017

Line
No.

1	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues to the going-level basis.	<u>\$ 16,518,828</u>
2	<u>Cost of Gas</u> To increase cost of gas to the going-level basis.	<u>\$ 15,276,977</u>
3	<u>Operations and Maintenance Expenses</u>	
A	To increase payroll costs to the going-level basis.	\$ 774,746
B	To increase expenses for the salary and payroll investment plans.	601
C	To increase expenses for pension costs.	358,503
D	To increase expenses for the provision for uncollectible accounts to reflect actual net write-offs over a three-year period.	52,015
E	To decrease expenses for allocations to non-utility activities.	(23,591)
F	To decrease expenses for the long-term incentive plan.	(137,896)
G	To decrease expenses for the Short-Term and MVP incentive plans.	(167,684)
H	To decrease expenses for group insurance for projected costs.	(35,771)
I	To increase expenses for Piedmont Town Center Lease, CAM and Duke Lease Allocation Expenses.	139,879
J	To decrease expenses for the South Carolina assessment fee.	(8,705)
K	To decrease expenses for non-allowables for ratemaking purposes.	(1,448,199)
L	To adjust expense for GTI Expenses	-
M	To increase expenses for amortization of SC Environmental Expense	49,637
N	To increase expense for Retention Bonus Expense	177,052
O	To decrease expense for the Lease Allocation Adjustment	(906)
	Total	<u>\$ (270,319)</u>
4	<u>Depreciation Expense</u> To decrease depreciation expense to the going-level basis using the most current depreciation study rates.	<u>\$ (20,145)</u>
5	<u>General Taxes</u>	
A	To increase property taxes to the going-level basis.	\$ 746,839
B	To decrease payroll taxes to the going-level basis.	(20,411)
C	To increase franchise taxes and gross receipts tax to the going-level basis.	83,654
	Total	<u>\$ 810,082</u>

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Accounting and Pro Forma Adjustments
For The Twelve Months Ended March 31, 2017

Line
No.

6	<u>State Income Taxes</u> To increase state income taxes (rate of 5%) to reflect the impact on income after accounting and pro forma adjustments.	<u>\$ 514,218</u>
7	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) to reflect the impact on income after accounting and pro forma adjustments.	<u>\$ 1,753,951</u>
8	<u>Amortization of Debt Redemption Premium</u> To adjust net operating income for amortization of debt redemption premium.	<u>\$ -</u>
9	<u>Customer Growth</u> To decrease net operating income to reflect anticipated customer growth (rate of .69%) following the adjustments to operating revenues and expenses.	<u>\$ (10,667)</u>
10	<u>Cash Working Capital</u> To decrease cash working capital following the pro forma adjustments to operations and maintenance expenses (rate of 12.5%).	<u>\$ (33,790)</u>
11	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas for the proposed margin increase.	<u>\$ 17,223,522</u>
12	<u>Operations and Maintenance Expenses</u> To increase the provision for uncollectible accounts (rate of .31439%) following the adjustment to operating revenues.	<u>\$ 54,149</u>
13	<u>General Taxes</u> To adjust franchise taxes (rate of .3%) and gross receipts tax (rate of .206421%) for the proposed margin increase.	<u>\$ 87,223</u>

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Accounting and Pro Forma Adjustments
For The Twelve Months Ended March 31, 2017

Line
No.

14	<u>State Income Taxes</u> To increase state income taxes (rate of 5%) to reflect the impact on income from the adjustments to operating revenues and expenses.	<u>\$ 854,108</u>
15	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) to reflect the impact on income from the adjustments to operating revenues, expenses and state income taxes.	<u>\$ 5,679,815</u>
16	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .69%) following the adjustments to operating revenues and expenses.	<u>\$ 72,783</u>
17	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas associated with the demand cost under-recovery.	<u>\$ 329,312</u>
18	<u>Cost of Gas</u> To increase cost of gas for the demand cost under-recovery.	<u>\$ 326,609</u>
19	<u>Operations and Maintenance Expenses</u> To increase the provision for uncollectible accounts (rate of .31439%) following the adjustment to operating revenues.	<u>\$ 1,035</u>
20	<u>General Taxes</u> To adjust franchise taxes (rate of .3%) and gross receipts tax (rate of .206421%) for the adjustment to revenue for demand cost under-recovery.	<u>\$ 1,668</u>

SCHEDULE 8

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

PRO FORMA REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Current Margin Rate (6)	Current Demand Rate (7)	Current Commodity Rate (8)	Total Current Rates (9)	Total Proforma Revenue (10)
Residential Service - Value 201										
Bills - Winter	209,681				209,681	\$10.00			\$10.00	\$2,096,810
Bills - Summer	317,737				317,737	\$8.00			\$8.00	\$2,541,896
DTs - Winter	1,728,705	425,543	(43,085)	2,111,163		\$4.4267	\$1.4782	\$3.0531	\$8.9580	\$18,911,799
DTs - Summer	744,844	84,140	(16,580)	812,404		\$3.9120	\$1.4782	\$3.0531	\$8.4433	\$6,859,373
Residential Service - Standard 221										
Bills - Winter	432,867				432,867	\$10.00			\$10.00	\$4,328,670
Bills - Summer	566,152				566,152	\$8.00			\$8.00	\$4,529,216
DTs - Winter	2,870,100	758,419	(68,570)	3,359,949		\$4.4267	\$1.4782	\$3.0531	\$8.9580	\$30,098,420
DTs - Summer	616,945	129,520	(14,929)	731,536		\$3.9120	\$1.4782	\$3.0531	\$8.4433	\$5,176,575
TOTAL RESIDENTIAL										
Bills	1,526,437				1,526,437					
DTs	5,760,594	1,397,622	(143,164)	7,015,052						\$75,542,759
Small General Service - Standard 202										
Bills	122,002				122,002	\$22.00			\$22.00	\$2,684,044
DTs - Winter	1,188,545	360,428	(30,979)	1,517,994		\$3.5297	\$1.4706	\$3.0531	\$8.0534	\$12,225,009
DTs - Summer	218,133	54,479	(5,452)	267,160		\$3.4032	\$1.4706	\$3.0531	\$7.9269	\$2,117,749
Small General Service - Value 232										
Bills	48,329				48,329	\$22.00			\$22.00	\$1,063,238
First 200	989,229	96,419	(21,713)	1,063,935		\$3.5297	\$1.4706	\$3.0531	\$8.0534	\$8,568,294
Over 200	178,920	17,439	(3,927)	192,432		\$3.5297	\$1.4706	\$3.0531	\$8.0534	\$1,549,730
DTs - Winter	1,168,149	113,858	(25,640)	1,256,367						
First 200	1,111,630	26,518	(22,763)	1,115,385		\$3.4032	\$1.4706	\$3.0531	\$7.9269	\$8,841,546
Over 200	96,938	2,313	(1,885)	97,266		\$3.4032	\$1.4706	\$3.0531	\$7.9269	\$771,018
DTs - Summer	1,208,588	28,831	(24,748)	1,212,651						
Medium General Service - Standard 252										
Bills	183				183	\$75.00			\$75.00	\$13,725
DTs - Winter	92,797	24,575	(2,347)	115,025		\$3.5297	\$0.6666	\$3.0531	\$7.2494	\$833,859
DTs - Summer	15,753	3,471	(384)	18,840		\$3.4032	\$0.6666	\$3.0531	\$7.1229	\$134,192
Medium General Service - Value 262										
Bills	1,018				1,018	\$75.00			\$75.00	\$76,350
First 500	200,469	10,462	(4,219)	206,732		\$3.5297	\$0.6666	\$3.0531	\$7.2494	\$1,498,683
Over 500	247,632	12,921	(5,211)	255,342		\$3.5297	\$0.6666	\$3.0531	\$7.2494	\$1,851,076
DTs - Winter	448,121	23,383	(9,430)	462,074						
First 500	256,450	5,215	(5,233)	256,432		\$3.4032	\$0.6666	\$3.0531	\$7.1229	\$1,826,537
Over 500	225,558	4,587	(4,603)	225,542		\$3.4032	\$0.6666	\$3.0531	\$7.1229	\$1,605,514
DTs - Summer	482,008	9,802	(9,836)	481,974						
Natural Gas Vehicle Fuel Service - 242										
Bills	0				-	\$0.00			\$0.00	\$0
DTs - Winter	12,283	0	0	12,283		\$2.8541	\$1.6447	\$3.0531	\$7.5519	\$92,760
DTs - Summer	20,158	0	0	20,158		\$2.8541	\$2.2203	\$3.0531	\$8.1275	\$163,834
Fuel Rider						\$5.0000	\$0.0000	\$0.0000	\$5.0000	\$5,000
Winter Rate per GGE*									\$0.95154	
Summer Rate per GGE*									\$1.02407	
Experimental Motor Vehicle Fuel Service - 243										
Facilities Charge										
Winter (Nov - Mar)										
Summer (Apr - Oct)										
TOTAL COMMERCIAL										
Bills	171,532				171,532					
DTs	4,854,515	618,827	(108,818)	5,364,524						\$46,080,363

Piedmont Natural Gas Company, Inc
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

PRO FORMA REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Current Margin Rate (6)	Current Demand Rate (7)	Current Commodity Rate (8)	Total Current Rates (9)	Total Proforma Revenue (10)
Large General Service - Sales 203										
Bills	270				270	\$250.00			\$250.00	\$67,500
Demand DTs	41,234	0	0		41,234	\$5.0000	\$5.3565	\$0.0000	\$10.3565	\$427,040
First 1,500	149,041	0	0	149,041		\$1.8569	\$0.8390	\$3.0531	\$5.7490	\$856,637
Next 1,500	98,542	0	0	98,542		\$1.2998	\$0.6813	\$3.0531	\$5.0342	\$496,080
Next 7,500	85,459	0	0	85,459		\$0.9285	\$0.7245	\$3.0531	\$4.7061	\$402,179
Next 16,500	0	0	0	0		\$0.5571	\$0.1923	\$3.0531	\$3.8025	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.1000	\$3.0531	\$3.3388	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$3.0531	\$3.0531	\$0
DTs - Winter	333,042	0	0	333,042						
First 1,500	189,785	0	0	189,785		\$1.1141	\$0.6427	\$3.0531	\$4.8099	\$912,847
Next 1,500	102,791	0	0	102,791		\$0.7428	\$0.5236	\$3.0531	\$4.3195	\$444,006
Next 7,500	70,901	0	0	70,901		\$0.5571	\$0.7575	\$3.0531	\$4.3677	\$344,616
Next 16,500	0	0	0	0		\$0.3714	\$0.2818	\$3.0531	\$3.7063	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$3.0531	\$3.2888	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$3.0531	\$3.0531	\$0
DTs - Summer	371,477	0	0	371,477						
Large General Service - Transportation 213										
Bills	442				442	\$250.00			\$250.00	\$110,500
Demand DTs	112,049				112,049	\$5.0000	\$0.6806	\$0.0000	\$5.6806	\$636,506
Standby DTs	0				0	\$0.0000	\$4.6759	\$0.0000	\$4.6759	\$0
First 1,500	265,747	0	0	265,747		\$1.8569	\$0.5409	\$0.0531	\$2.4509	\$651,319
Next 1,500	217,315	0	0	217,315		\$1.2998	\$0.4346	\$0.0531	\$1.7875	\$388,451
Next 7,500	279,055	0	0	279,055		\$0.9285	\$0.3430	\$0.0531	\$1.3246	\$369,636
Next 16,500	125,247	0	0	125,247		\$0.5571	(\$0.3602)	\$0.0531	\$0.2500	\$31,312
Next 33,000	35,188	0	0	35,188		\$0.1857	\$0.1049	\$0.0531	\$0.3437	\$12,094
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0531	\$0.0531	\$0
DTs - Winter	922,552	0	0	922,552						
First 1,500	364,189	0	0	364,189		\$1.1141	\$0.5708	\$0.0531	\$1.7380	\$632,960
Next 1,500	245,072	0	0	245,072		\$0.7428	\$0.4557	\$0.0531	\$1.2516	\$306,732
Next 7,500	314,096	0	0	314,096		\$0.5571	\$0.3713	\$0.0531	\$0.9815	\$308,285
Next 16,500	114,149	0	0	114,149		\$0.3714	\$0.3045	\$0.0531	\$0.7290	\$83,215
Next 33,000	13,804	0	0	13,804		\$0.1857	\$0.0380	\$0.0531	\$0.2768	\$3,621
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0531	\$0.0531	\$0
DTs - Summer	1,051,310	0	0	1,051,310						
Interruptible Service - Sales 204										
Bills	181				181	\$250.00			\$250.00	\$45,250
First 1,500	107,212	0	0	107,212		\$1.8569	\$1.4970	\$3.0531	\$6.4070	\$686,907
Next 1,500	86,436	0	0	86,436		\$1.2998	\$1.3128	\$3.0531	\$5.6657	\$489,720
Next 7,500	109,379	0	0	109,379		\$0.9285	\$1.2089	\$3.0531	\$5.1905	\$567,732
Next 16,500	74,566	0	0	74,566		\$0.5571	\$1.7823	\$3.0531	\$5.3925	\$402,097
Next 33,000	1,853	0	0	1,853		\$0.1857	\$0.4588	\$3.0531	\$3.6976	\$6,852
Over 60,000	0	0	0	0		\$0.0000	\$0.4000	\$3.0531	\$3.4531	\$0
DTs - Winter	379,446	0	0	379,446						
First 1,500	138,184	0	0	138,184		\$1.1141	\$0.7409	\$3.0531	\$4.9081	\$678,221
Next 1,500	102,004	0	0	102,004		\$0.7428	\$0.6636	\$3.0531	\$4.4595	\$454,887
Next 7,500	120,036	0	0	120,036		\$0.5571	\$0.5969	\$3.0531	\$4.2071	\$505,003
Next 16,500	67,719	0	0	67,719		\$0.3714	\$0.6233	\$3.0531	\$4.0478	\$274,113
Next 33,000	0	0	0	0		\$0.1857	\$0.4133	\$3.0531	\$3.6521	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.1000	\$3.0531	\$3.1531	\$0
DTs - Summer	427,943	0	0	427,943						

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

PRO FORMA REVENUE CALCULATIONS

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Current Margin Rate (6)	Current Demand Rate (7)	Current Commodity Rate (8)	Total Current Rates (9)	Total Proforma Revenue (10)
Rate Schedule										
Interruptible Service - Transportation 214										
Bills	494				494	\$250.00			\$250.00	\$123,500
First 1,500	303,319	0	0	303,319		\$1,856.9	\$0.5348	\$0.0531	\$2,444.8	\$741,554
Next 1,500	284,729	0	0	284,729		\$1,299.8	\$0.4247	\$0.0531	\$1,777.6	\$506,134
Next 7,500	741,803	0	0	741,803		\$0.9285	\$0.3152	\$0.0531	\$1,296.8	\$961,970
Next 16,500	360,522	0	0	360,522		\$0.5571	\$0.2074	\$0.0531	\$0,817.6	\$294,763
Next 33,000	22,145	0	0	22,145		\$0.1857	\$0.1091	\$0.0531	\$0,347.9	\$7,704
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0531	\$0.0531	\$0
DTs - Winter	1,712,518	0	0	1,712,518						
First 1,500	419,687	0	0	419,687		\$1,114.1	\$0.5678	\$0.0531	\$1,735.0	\$728,157
Next 1,500	357,134	0	0	357,134		\$0.7428	\$0.4505	\$0.0531	\$1,246.4	\$445,132
Next 7,500	868,677	0	0	868,677		\$0.5571	\$0.3357	\$0.0531	\$0,945.9	\$821,682
Next 16,500	303,143	0	0	303,143		\$0.3714	\$0.3008	\$0.0531	\$0,723.3	\$219,870
Next 33,000	3	0	0	3		\$0.1857	\$0.3280	\$0.0531	\$0,566.8	\$2
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0531	\$0.0531	\$0
DTs - Summer	1,948,644	0	0	1,948,644						
TOTAL INDUSTRIAL										
Bills	1,387				1,387					
Demand	153,283				153,283					
DTs	7,146,932	0	0	7,146,932						\$16,447,186
Outdoor Gaslight Service - Rate 205										
Fixtures	24	0	0	24		\$15.00			\$15.00	\$360
DTs - Winter	16	0	0	16						
DTs - Summer	22	0	0	22						
Annual Revenues From Special Contracts										\$ 2,414,530
TOTAL ALL RATE SCHEDULES										
TOTAL BILLS	1,699,356				1,699,356					
TOTAL WINTER DTs	10,656,274	1,706,206	(180,052)	12,182,428						
TOTAL SUMMER DTs	7,195,805	310,243	(71,930)	7,344,118						
ANNUAL TOTAL DTs	17,762,079	2,016,449	(251,982)	19,526,546						REVENUE \$ 140,485,198
TOTAL SALES DTs	12,127,055	2,016,449	(251,982)	13,881,522						
TOTAL TRANSPORTATION DTs	5,635,024	0	0	5,635,024						
ANNUAL TOTAL DTs	17,762,079	2,016,449	(251,982)	19,526,546						

* The rates convert 1.26 therms to 1 GGE

SCHEDULE 9

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Conservation Adjustment	Proforma Dekatherms	Proforma Bills	Proposed Margin Rate	Proposed Demand Rate	Proposed Commodity Rate	Total Proposed Rates	Total Proforma Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(10)	(11)
Residential Service - 201										
Bills - Winter	642,548				642,548	\$ 10.00			\$ 10.00	\$6,425,480
Bills - Summer	883,889				883,889	\$ 8.00			\$ 8.00	\$7,071,112
DTs - Winter	4,398,805	1,183,962	(111,655)	5,471,112		\$6,0645	\$1,6379	\$3,0531	\$10,7555	\$58,844,541
DTs - Summer	1,361,789	213,660	(31,509)	1,543,940		\$5,3594	\$1,6379	\$3,0531	\$10,0504	\$15,517,214
Total Bills	1,526,437				1,526,437					
Total DTs	5,760,594	1,397,622	(143,164)	7,015,052						\$87,858,347
Small General Service - 202										
Bills	170,331				170,331	\$ 22.00			\$ 22.00	\$3,747,282
DTs - Winter	2,356,694	474,286	(56,620)	2,774,360		\$4,6697	\$1,3605	\$3,0531	\$9,0833	\$25,200,348
DTs - Summer	1,426,701	83,310	(30,200)	1,479,811		\$4,5024	\$1,3605	\$3,0531	\$8,9160	\$13,193,993
Medium General Service - 252										
Bills	1,201				1,201	\$ 75.00			\$ 75.00	\$90,075
DTs - Winter	540,918	47,958	(11,778)	577,098		\$4,6697	\$1,0713	\$3,0531	\$8,7941	\$5,075,062
DTs - Summer	497,761	13,273	(10,221)	500,813		\$4,5024	\$1,0713	\$3,0531	\$8,6268	\$4,320,416
Natural Gas Vehicle Fuel Service - 242										
Bills	0									
DTs - Winter	12,283	0	0	12,283		\$3,7759	\$0,6619	\$3,0531	\$7,4909	\$92,011
DTs - Summer	20,158	0	0	20,158		\$3,7759	\$0,6619	\$3,0531	\$7,4909	\$151,002
Fuel Rider						\$5,0000	\$0,0000	\$0,0000	\$5,0000	\$182,205
Winter Rate per GGE*									\$0,94385	
Summer Rate per GGE*									\$0,94385	
Experimental Motor Vehicle Fuel Service - 243										
Facilities Charge										
Winter (Nov-Mar)										
Summer (Apr-Oct)										
TOTAL COMMERCIAL										
Total Bills	171,532				171,532					
Total DTs	4,854,515	618,827	(108,818)	5,364,524						\$52,032,394
Large General Service - Sales 203										
Bills	270				270	\$ 250.00			\$ 250.00	\$67,500
Demand DTs	41,234	0	0		41,234	\$5,0000	\$8,0000	\$0,0000	\$13,0000	\$536,042
First 1,500	149,041	0	0	149,041		\$1,8569	\$0,5600	\$3,0531	\$5,4700	\$815,254
Next 1,500	98,542	0	0	98,542		\$1,2998	\$0,4700	\$3,0531	\$4,8229	\$475,258
Next 7,500	85,459	0	0	85,459		\$0,9285	\$0,3600	\$3,0531	\$4,3416	\$371,029
Next 16,500	0	0	0	0		\$0,5571	\$0,2000	\$3,0531	\$3,8102	\$0
Next 33,000	0	0	0	0		\$0,1857	\$0,1000	\$3,0531	\$3,3388	\$0
Over 60,000	0	0	0	0		\$0,0000	\$0,0500	\$3,0531	\$3,1031	\$0
DTs - Winter	333,042	0	0	333,042						
First 1,500	189,785	0	0	189,785		\$1,1141	\$0,5600	\$3,0531	\$4,7272	\$897,152
Next 1,500	102,791	0	0	102,791		\$0,7428	\$0,4700	\$3,0531	\$4,2659	\$438,496
Next 7,500	78,901	0	0	78,901		\$0,5571	\$0,3600	\$3,0531	\$3,9702	\$313,253
Next 16,500	0	0	0	0		\$0,3714	\$0,2000	\$3,0531	\$3,6245	\$0
Next 33,000	0	0	0	0		\$0,1857	\$0,1000	\$3,0531	\$3,3388	\$0
Over 60,000	0	0	0	0		\$0,0000	\$0,0500	\$3,0531	\$3,1031	\$0
DTs - Summer	371,477	0	0	371,477						
Large General Service - Transportation 213										
Bills	442				442	\$ 250.00			\$ 250.00	\$110,500
Demand DTs	112,049				112,049	\$5,0000	\$3,0000	\$0,0000	\$8,0000	\$896,392
Standby DTs					0	\$0,0000	\$4,5000	\$0,0000	\$4,5000	\$0
First 1,500	265,747	0	0	265,747		\$1,8569	\$0,3500	\$0,0531	\$2,2600	\$600,588
Next 1,500	217,315	0	0	217,315		\$1,2998	\$0,2500	\$0,0531	\$1,6029	\$348,334
Next 7,500	279,055	0	0	279,055		\$0,9285	\$0,2040	\$0,0531	\$1,1856	\$330,848
Next 16,500	125,247	0	0	125,247		\$0,5571	\$0,1000	\$0,0531	\$0,7102	\$88,950
Next 33,000	35,188	0	0	35,188		\$0,1857	\$0,0550	\$0,0531	\$0,2938	\$10,338
Over 60,000	0	0	0	0		\$0,0000	\$0,0500	\$0,0531	\$0,1031	\$0
DTs - Winter	922,552	0	0	922,552						
First 1,500	364,189	0	0	364,189		\$1,1141	\$0,3500	\$0,0531	\$1,5172	\$552,548
Next 1,500	245,072	0	0	245,072		\$0,7428	\$0,2500	\$0,0531	\$1,0459	\$256,321
Next 7,500	314,096	0	0	314,096		\$0,5571	\$0,2040	\$0,0531	\$0,8142	\$255,737
Next 16,500	114,149	0	0	114,149		\$0,3714	\$0,1000	\$0,0531	\$0,5245	\$59,871
Next 33,000	13,804	0	0	13,804		\$0,1857	\$0,0550	\$0,0531	\$0,2938	\$4,056
Over 60,000	0	0	0	0		\$0,0000	\$0,0500	\$0,0531	\$0,1031	\$0
DTs - Summer	1,051,310	0	0	1,051,310						

Piedmont Natural Gas Company, Inc
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Conservation Adjustment	Proforma Dekatherms	Proforma Bills	Proposed Margin Rate	Proposed Demand Rate	Proposed Commodity Rate	Total Proposed Rates	Total Proforma Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(10)	(11)
Interruptible Service - Sales 204										
Bills	181				181	\$ 250.00			\$ 250.00	\$45,250
First 1,500	107,212	0	0	107,212		\$1 8569	\$0 7800	\$3 0531	\$5 6900	\$610,036
Next 1,500	86,436	0	0	86,436		\$1 2998	\$0 7000	\$3 0531	\$5 0529	\$436,752
Next 7,500	109,379	0	0	109,379		\$0 9285	\$0 6000	\$3 0531	\$4 5816	\$501,131
Next 16,500	74,566	0	0	74,566		\$0 5571	\$0 5100	\$3 0531	\$4 1202	\$307,227
Next 33,000	1,853	0	0	1,853		\$0 1857	\$0 4000	\$3 0531	\$3 6388	\$6,743
Over 60,000	0	0	0	0		\$0 0000	\$0 3000	\$3 0531	\$3 3531	\$0
DTs - Winter	379,446	0	0	379,446						
First 1,500	138,184	0	0	138,184		\$1 1141	\$0 7800	\$3 0531	\$4 9472	\$683,624
Next 1,500	102,004	0	0	102,004		\$0 7428	\$0 7000	\$3 0531	\$4 4959	\$458,600
Next 7,500	120,036	0	0	120,036		\$0 5571	\$0 6000	\$3 0531	\$4 2102	\$505,376
Next 16,500	67,719	0	0	67,719		\$0 3714	\$0 5100	\$3 0531	\$3 9345	\$266,440
Next 33,000	0	0	0	0		\$0 1867	\$0 4000	\$3 0531	\$3 6388	\$0
Over 60,000	0	0	0	0		\$0 0000	\$0 3000	\$3 0531	\$3 3531	\$0
DTs - Summer	427,943	0	0	427,943						
Interruptible Service - Transportation 214										
Bills	494				494	\$ 250.00			\$ 250.00	\$123,500
First 1,500	303,319	0	0	303,319		\$1 8569	\$0 4000	\$0 0531	\$2 3100	\$700,667
Next 1,500	284,729	0	0	284,729		\$1 2998	\$0 3500	\$0 0531	\$1 7029	\$484,865
Next 7,500	741,803	0	0	741,803		\$0 9285	\$0 2500	\$0 0531	\$1 2316	\$913,605
Next 16,500	360,522	0	0	360,522		\$0 5571	\$0 1330	\$0 0531	\$0 7432	\$267,940
Next 33,000	22,145	0	0	22,145		\$0 1857	\$0 1000	\$0 0531	\$0 3388	\$7,503
Over 60,000	0	0	0	0		\$0 0000	\$0 0500	\$0 0531	\$0 1031	\$0
DTs - Winter	1,712,518	0	0	1,712,518						
First 1,500	419,687	0	0	419,687		\$1 1141	\$0 4000	\$0 0531	\$1 5672	\$657,733
Next 1,500	357,134	0	0	357,134		\$0 7428	\$0 3500	\$0 0531	\$1 1459	\$409,240
Next 7,500	868,677	0	0	868,677		\$0 5571	\$0 2500	\$0 0531	\$0 8602	\$747,236
Next 16,500	303,143	0	0	303,143		\$0 3714	\$0 1330	\$0 0531	\$0 5575	\$169,002
Next 33,000	3	0	0	3		\$0 1857	\$0 1000	\$0 0531	\$0 3388	\$1
Over 60,000	0	0	0	0		\$0 0000	\$0 0500	\$0 0531	\$0 1031	\$0
DTs - Summer	1,948,644	0	0	1,948,644						
TOTAL INDUSTRIAL										
Total Bills	1,387				1,387					
Total Demand	153,283				153,283					
Total DTs	7,146,932	0	0	7,146,932						\$15,730,938
Outdoor Gaslight Service - Rate 205										
Fixtures	24	0	0	24		\$ 15.00			\$ 15.00	\$360
DTs - Winter	16	0	0	16						
DTs - Summer	22	0	0	22						
Annual Revenues From Special Contracts										\$ 2,414,530
TOTAL ALL RATE SCHEDULES										
TOTAL BILLS	1,699,356				1,699,356					
TOTAL WINTER DTs	10,856,274	1,708,208	(180,052)	12,182,428						
TOTAL SUMMER DTs	7,105,805	310,243	(71,930)	7,344,118						
ANNUAL TOTAL DTs	17,762,079	2,018,449	(251,982)	19,528,546						REVENUE \$ 158,036,568
TOTAL SALES DTs	12,127,055	2,016,449	(251,982)	13,891,522						
TOTAL TRANSPORTATION DTs	5,635,024	0	0	5,635,024						
ANNUAL TOTAL DTs	17,762,079	2,016,449	(251,982)	19,528,546						

* The rates convert 1.26 therms to 1 GGE

SCHEDULE 10

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

REVENUE RECONCILIATION

Line No.	RSA Proposed Revenues with Billing Rates Effective November 2017							Revenue Changes				Billing Rates	
	(a) Margin Rates (dts)	(b) Margin Revenue	(c) Demand Rates (dts)	(d) Demand Revenue	(e) Commodity Rates (dts)	(f) Commodity Revenue	(g) Total Annual Revenue	(h) Margin Revenue Change	(i) Demand Revenue Change	(j) Commodity Revenue Change	(k) Total Revenue Change	(l) Calculated Total Billing Rates (dts)	(m) Calculated Total Billing Rates (th) 2/
1	Residential Service - 201												
2	Monthly Charge - Winter	\$ 10.00	\$ 6,425,480				\$ 6,425,480	\$ -			\$ -	\$ 10.00	\$ 10.00
3	Monthly Charge - Summer	\$ 8.00	\$ 7,071,112				\$ 7,071,112	\$ -			\$ -	\$ 8.00	\$ 8.00
4	Winter (Nov.-Mar.)	\$ 6.0645	\$ 33,179,556	\$ 1.6379	\$ 8,961,134	\$ 3.0531	\$ 16,703,851	\$ 8,960,586	\$ 873,736		\$ 9,834,322	\$ 10.7555	\$ 1.07555
5	Summer (Apr.-Oct.)	\$ 5.3594	\$ 8,274,592	\$ 1.6379	\$ 2,528,818	\$ 3.0531	\$ 4,713,804	\$ 2,234,698	\$ 246,568		\$ 2,481,266	\$ 10.0504	\$ 1.00504
6	Small General Service - 202												
7	Monthly Charge	\$ 22.00	\$ 3,747,282				\$ 3,747,282	\$ -			\$ -	\$ 22.00	\$ 22.00
8	Winter (Nov.-Mar.)	\$ 4.6697	\$ 12,955,430	\$ 1.3605	\$ 3,774,518	\$ 3.0531	\$ 8,470,400	\$ 3,162,769	\$ (305,454)		\$ 2,857,315	\$ 9.0833	\$ 0.90833
9	Summer (Apr.-Oct.)	\$ 4.5024	\$ 6,662,700	\$ 1.3605	\$ 2,013,283	\$ 3.0531	\$ 4,518,010	\$ 1,626,608	\$ (162,928)		\$ 1,463,680	\$ 8.9160	\$ 0.89160
10	Medium General Service - 252												
11	Monthly Charge	\$ 75.00	\$ 90,075				\$ 90,075	\$ -			\$ -	\$ 75.00	\$ 75.00
12	Winter (Nov.-Mar.)	\$ 4.6697	\$ 2,694,876	\$ 1.0713	\$ 618,248	\$ 3.0531	\$ 1,761,938	\$ 657,892	\$ 233,552		\$ 891,444	\$ 8.7941	\$ 0.87941
13	Summer (Apr.-Oct.)	\$ 4.5024	\$ 2,254,862	\$ 1.0713	\$ 536,520	\$ 3.0531	\$ 1,529,034	\$ 550,494	\$ 202,679		\$ 753,173	\$ 8.6268	\$ 0.86268
14	Natural Gas Vehicle Fuel Service - 242												
15	Winter (Nov.-Mar.)	\$ 3.7759	\$ 46,379	\$ 0.6619	\$ 8,131	\$ 3.0531	\$ 37,501	\$ 11,322	\$ (12,071)		\$ (749)	\$ 7.4909	\$ 0.74909
16	Summer (Apr.-Oct.)	\$ 3.7759	\$ 76,115	\$ 0.6619	\$ 13,343	\$ 3.0531	\$ 61,544	\$ 18,582	\$ (31,414)		\$ (12,832)	\$ 7.4909	\$ 0.74909
17	Fuel Rider	\$ 5.0000	\$ 162,205				\$ 162,205					\$ 5.0000	\$ 0.50000
18	Large General Service - Sales 203												
19	Monthly Charge	\$ 250.00	\$ 67,500				\$ 67,500	\$ -			\$ -	\$ 250.00	\$ 250.00
20	Demand DT's	\$ 5.0000	\$ 206,170	\$ 8.0000	\$ 329,872		\$ 536,042	\$ -	\$ 109,002		\$ 109,002	\$ 13.0000	\$ 1.30000
21	Winter DT's												
22	First 1,500	\$ 1.8569	\$ 276,754	\$ 0.5600	\$ 83,463	\$ 3.0531	\$ 455,037	\$ -	\$ (41,583)		\$ (41,583)	\$ 5.4700	\$ 0.54700
23	Next 1,500	\$ 1.2998	\$ 128,085	\$ 0.4700	\$ 46,314	\$ 3.0531	\$ 300,859	\$ -	\$ (20,822)		\$ (20,822)	\$ 4.8229	\$ 0.48229
24	Next 7,500	\$ 0.9285	\$ 79,349	\$ 0.3600	\$ 30,765	\$ 3.0531	\$ 260,915	\$ -	\$ (31,150)		\$ (31,150)	\$ 4.3416	\$ 0.43416
25	Next 16,500	\$ 0.5571	\$ -	\$ 0.2000	\$ -	\$ 3.0531	\$ -	\$ -	\$ -		\$ -	\$ 3.8102	\$ 0.38102
26	Next 33,000	\$ 0.1857	\$ -	\$ 0.1000	\$ -	\$ 3.0531	\$ -	\$ -	\$ -		\$ -	\$ 3.3388	\$ 0.33388
27	Over 60,000	\$ -	\$ -	\$ 0.0500	\$ -	\$ 3.0531	\$ -	\$ -	\$ -		\$ -	\$ 3.1031	\$ 0.31031
28	Summer DT's												
29	First 1,500	\$ 1.1141	\$ 211,439	\$ 0.5600	\$ 106,280	\$ 3.0531	\$ 579,433	\$ -	\$ (15,695)		\$ (15,695)	\$ 4.7272	\$ 0.47272
30	Next 1,500	\$ 0.7428	\$ 76,353	\$ 0.4700	\$ 48,312	\$ 3.0531	\$ 313,831	\$ -	\$ (5,510)		\$ (5,510)	\$ 4.2659	\$ 0.42659
31	Next 7,500	\$ 0.5571	\$ 43,956	\$ 0.3600	\$ 28,404	\$ 3.0531	\$ 240,893	\$ -	\$ (31,363)		\$ (31,363)	\$ 3.9702	\$ 0.39702
32	Next 16,500	\$ 0.3714	\$ -	\$ 0.2000	\$ -	\$ 3.0531	\$ -	\$ -	\$ -		\$ -	\$ 3.6245	\$ 0.36245
33	Next 33,000	\$ 0.1857	\$ -	\$ 0.1000	\$ -	\$ 3.0531	\$ -	\$ -	\$ -		\$ -	\$ 3.3388	\$ 0.33388
34	Over 60,000	\$ -	\$ -	\$ 0.0500	\$ -	\$ 3.0531	\$ -	\$ -	\$ -		\$ -	\$ 3.1031	\$ 0.31031

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

REVENUE RECONCILIATION

Line No.	RSA Proposed Revenues with Billing Rates Effective November 2017							Revenue Changes				Billing Rates	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	Margin Rates (dts)	Margin Revenue	Demand Rates (dts)	Demand Revenue	Commodity Rates (dts)	Commodity Revenue	Total Annual Revenue	Margin Revenue Change	Demand Revenue Change	Commodity Revenue Change	Total Revenue Change	Calculated Total Billing Rates (dts)	Calculated Total Billing Rates (th) Z/
35	Large General Service - Transportation 213												
36	Monthly Charge	\$ 250.00	\$ 110,500				\$ 110,500	\$ -	\$ -	\$ -	\$ -	\$ 250.00	\$ 250.00
37	Demand DT's	\$ 5.0000	\$ 560,245	\$ 3.0000	\$ 336,147		\$ 896,392	\$ -	\$ 259,886	\$ -	\$ 259,886	\$ 8.0000	\$ 8.0000
38	Standby DT's	\$ -	\$ -	\$ 4.5000	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4.5000	\$ 0.45000
39	Winter DT's												
40	First 1,500	\$ 1.8569	\$ 493,466	\$ 0.3500	\$ 93,011	\$ 0.0531	\$ 14,111	\$ 600,588	\$ -	\$ (50,731)	\$ (50,731)	\$ 2.2600	\$ 0.22600
41	Next 1,500	\$ 1.2998	\$ 282,466	\$ 0.2500	\$ 54,329	\$ 0.0531	\$ 11,539	\$ 348,334	\$ -	\$ (40,117)	\$ (40,117)	\$ 1.6029	\$ 0.16029
42	Next 7,500	\$ 0.9285	\$ 259,103	\$ 0.2040	\$ 56,927	\$ 0.0531	\$ 14,818	\$ 330,848	\$ -	\$ (38,788)	\$ (38,788)	\$ 1.1856	\$ 0.11856
43	Next 16,500	\$ 0.5571	\$ 69,775	\$ 0.1000	\$ 12,524	\$ 0.0531	\$ 6,651	\$ 88,950	\$ -	\$ 57,638	\$ 57,638	\$ 0.7102	\$ 0.07102
44	Next 33,000	\$ 0.1857	\$ 6,534	\$ 0.0550	\$ 1,936	\$ 0.0531	\$ 1,868	\$ 10,338	\$ -	\$ (1,756)	\$ (1,756)	\$ 0.2938	\$ 0.02938
45	Over 60,000	\$ -	\$ -	\$ 0.0500	\$ -	\$ 0.0531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1031	\$ 0.01031
46	Summer DT's												
47	First 1,500	\$ 1.1141	\$ 405,743	\$ 0.3500	\$ 127,467	\$ 0.0531	\$ 19,338	\$ 552,548	\$ -	\$ (80,412)	\$ (80,412)	\$ 1.5172	\$ 0.15172
48	Next 1,500	\$ 0.7428	\$ 182,039	\$ 0.2500	\$ 61,269	\$ 0.0531	\$ 13,013	\$ 256,321	\$ -	\$ (50,411)	\$ (50,411)	\$ 1.0459	\$ 0.10459
49	Next 7,500	\$ 0.5571	\$ 174,983	\$ 0.2040	\$ 64,076	\$ 0.0531	\$ 16,678	\$ 255,737	\$ -	\$ (52,548)	\$ (52,548)	\$ 0.8142	\$ 0.08142
50	Next 16,500	\$ 0.3714	\$ 42,395	\$ 0.1000	\$ 11,415	\$ 0.0531	\$ 6,061	\$ 59,871	\$ -	\$ (23,344)	\$ (23,344)	\$ 0.5245	\$ 0.05245
51	Next 33,000	\$ 0.1857	\$ 2,563	\$ 0.0550	\$ 760	\$ 0.0531	\$ 733	\$ 4,056	\$ -	\$ 235	\$ 235	\$ 0.2938	\$ 0.02938
52	Over 60,000	\$ -	\$ -	\$ 0.0500	\$ -	\$ 0.0531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1031	\$ 0.01031
53	Interruptible Service - Sales 204												
54	Monthly Charge	\$ 250.00	\$ 45,250				\$ 45,250	\$ -	\$ -	\$ -	\$ -	\$ 250.00	\$ 250.00
55	Winter DT's												
56	First 1,500	\$ 1.8569	\$ 199,082	\$ 0.7800	\$ 83,625	\$ 3.0531	\$ 327,329	\$ -	\$ (76,871)	\$ -	\$ (76,871)	\$ 5.6900	\$ 0.56900
57	Next 1,500	\$ 1.2998	\$ 112,350	\$ 0.7000	\$ 60,504	\$ 3.0531	\$ 263,898	\$ -	\$ (52,968)	\$ -	\$ (52,968)	\$ 5.0529	\$ 0.50529
58	Next 7,500	\$ 0.9285	\$ 101,558	\$ 0.6000	\$ 65,628	\$ 3.0531	\$ 333,945	\$ -	\$ (66,601)	\$ -	\$ (66,601)	\$ 4.5816	\$ 0.45816
59	Next 16,500	\$ 0.5571	\$ 41,541	\$ 0.5100	\$ 38,029	\$ 3.0531	\$ 227,657	\$ -	\$ (94,870)	\$ -	\$ (94,870)	\$ 4.1202	\$ 0.41202
60	Next 33,000	\$ 0.1857	\$ 344	\$ 0.4000	\$ 742	\$ 3.0531	\$ 5,657	\$ 6,743	\$ -	\$ (109)	\$ (109)	\$ 3.6388	\$ 0.36388
61	Over 60,000	\$ -	\$ -	\$ 0.3000	\$ -	\$ 3.0531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.3531	\$ 0.33531
62	Summer DT's												
63	First 1,500	\$ 1.1141	\$ 153,951	\$ 0.7800	\$ 107,783	\$ 3.0531	\$ 421,890	\$ -	\$ 5,403	\$ -	\$ 5,403	\$ 4.9472	\$ 0.49472
64	Next 1,500	\$ 0.7428	\$ 75,769	\$ 0.7000	\$ 71,403	\$ 3.0531	\$ 311,428	\$ -	\$ 3,713	\$ -	\$ 3,713	\$ 4.4959	\$ 0.44959
65	Next 7,500	\$ 0.5571	\$ 66,872	\$ 0.6000	\$ 72,022	\$ 3.0531	\$ 366,482	\$ -	\$ 373	\$ -	\$ 373	\$ 4.2102	\$ 0.42102
66	Next 16,500	\$ 0.3714	\$ 25,151	\$ 0.5100	\$ 34,536	\$ 3.0531	\$ 206,753	\$ -	\$ (7,673)	\$ -	\$ (7,673)	\$ 3.9345	\$ 0.39345
67	Next 33,000	\$ 0.1857	\$ -	\$ 0.4000	\$ -	\$ 3.0531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.6388	\$ 0.36388
68	Over 60,000	\$ -	\$ -	\$ 0.3000	\$ -	\$ 3.0531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.3531	\$ 0.33531

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

REVENUE RECONCILIATION

RSA Proposed Revenues with Billing Rates Effective November 2017								Revenue Changes				Billing Rates			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		
Line No.	Margin Rates (dts)	Margin Revenue	Demand Rates (dts)	Demand Revenue	Commodity Rates (dts)	Commodity Revenue	Total Annual Revenue	Margin Revenue Change	Demand Revenue Change	Commodity Revenue Change	Total Revenue Change	Calculated Total Billing Rates (dts)	Calculated Total Billing Rates (th) 2/		
69	Interruptible Service - Transportation 214														
70	Monthly Charge	\$ 250.00	\$ 123,500				\$ 123,500	\$ -			\$ -	\$ 250.00	\$ 250.00		
71	Winter DT's														
72	First 1,500	\$ 1.8569	\$ 563,233	\$ 0.4000	\$ 121,328	\$ 0.0531	\$ 16,106	\$ 700,667	\$ -	\$ (40,887)	\$ -	\$ (40,887)	\$ 2.3100	\$ 0.23100	
73	Next 1,500	\$ 1.2998	\$ 370,091	\$ 0.3500	\$ 99,655	\$ 0.0531	\$ 15,119	\$ 484,865	\$ -	\$ (21,269)	\$ -	\$ (21,269)	\$ 1.7029	\$ 0.17029	
74	Next 7,500	\$ 0.9285	\$ 688,764	\$ 0.2500	\$ 185,451	\$ 0.0531	\$ 39,390	\$ 913,605	\$ -	\$ (48,365)	\$ -	\$ (48,365)	\$ 1.2316	\$ 0.12316	
75	Next 16,500	\$ 0.5571	\$ 200,847	\$ 0.1330	\$ 47,949	\$ 0.0531	\$ 19,144	\$ 267,940	\$ -	\$ (26,823)	\$ -	\$ (26,823)	\$ 0.7432	\$ 0.07432	
76	Next 33,000	\$ 0.1857	\$ 4,112	\$ 0.1000	\$ 2,215	\$ 0.0531	\$ 1,176	\$ 7,503	\$ -	\$ (201)	\$ -	\$ (201)	\$ 0.3388	\$ 0.03388	
77	Over 60,000	\$ -	\$ -	\$ 0.0500	\$ -	\$ 0.0531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1031	\$ 0.01031	
78	Summer DT's														
79	First 1,500	\$ 1.1141	\$ 467,573	\$ 0.4000	\$ 167,875	\$ 0.0531	\$ 22,285	\$ 657,733	\$ -	\$ (70,424)	\$ -	\$ (70,424)	\$ 1.5672	\$ 0.15672	
80	Next 1,500	\$ 0.7428	\$ 265,279	\$ 0.3500	\$ 124,997	\$ 0.0531	\$ 18,964	\$ 409,240	\$ -	\$ (35,892)	\$ -	\$ (35,892)	\$ 1.1459	\$ 0.11459	
81	Next 7,500	\$ 0.5571	\$ 483,940	\$ 0.2500	\$ 217,169	\$ 0.0531	\$ 46,127	\$ 747,236	\$ -	\$ (74,446)	\$ -	\$ (74,446)	\$ 0.8602	\$ 0.08602	
82	Next 16,500	\$ 0.3714	\$ 112,587	\$ 0.1330	\$ 40,318	\$ 0.0531	\$ 16,097	\$ 169,002	\$ -	\$ (50,868)	\$ -	\$ (50,868)	\$ 0.5575	\$ 0.05575	
83	Next 33,000	\$ 0.1857	\$ 1	\$ 0.1000	\$ -	\$ 0.0531	\$ -	\$ 1	\$ -	\$ (1)	\$ -	\$ (1)	\$ 0.3388	\$ 0.03388	
84	Over 60,000	\$ -	\$ -	\$ 0.0500	\$ -	\$ 0.0531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1031	\$ 0.01031	
85	Outdoor Gaslight Service - Rate 205														
86	Monthly Charge	\$ 15.00	\$ 360				\$ 360	\$ -			\$ -	\$ 15.00	\$ 15.00		
87	Annual Revenues From Special Contracts		\$ 2,217,658		\$ 160,838		\$ 36,034		\$ 2,414,530		\$ -		\$		
88	Total Revenues by Rate Component		\$ 93,639,895		\$ 21,649,333		\$ 42,747,341		\$ 158,036,569 1/		\$ 17,222,951		\$ 328,420	\$ -	\$ 17,551,371
89	Revenue increase (decrease) per Schedule 7 (page 1 of 5) of this filing:							\$ 17,223,522	\$ 329,312	\$ -	\$ 17,552,834				
90	Variance from Schedule 7 due to rounding:							\$ (571)	\$ (892)	\$ -	\$ (1,463)				

1/ Schedule 7 (page 1 of 5) of this filing indicates (in Column 6 Line 1) that Piedmont's Total Operating Revenue from the Sale and Transportation of Gas should be \$158,038,032.

The reconciliation schedule above demonstrates that the approved rates would yield \$158,036,569 in Total Operating Revenue from the Sale and Transportation of Gas. The \$1,463 difference is due to rounding.

2/ The rates in Column (l) above are calculated as the sum of the rate components shown in Columns (a) + (c) + (e). The volumetric rates in Column (m) are the same as those in Column (l), but on a per therm basis instead of on a per dekatherm basis.

SCHEDULE 11

Proposed WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity (\$/therms)	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
Residential Service - 201	1.07555	0.16379	0.30531	0.60645	0.14900	8.23649
Small General Service - 202	0.90833	0.13605	0.30531	0.46697	0.53230	116.89019
Medium General Service - 252	0.87941	0.10713	0.30531	0.46697	8.24464	7028.97829

ATTACHMENT A

**RATE SCHEDULE 201
(RED-LINED VERSION)**

RATE SCHEDULE 201
RESIDENTIAL SERVICE-~~VALUE RATE~~

Applicability

Gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to a residential unit, which is individually metered, and to governmental housing projects. ~~Rate Schedule 201 applies to all residential customers whose base load usage in either of the cycle billing months of July and August is equal to or greater than 15 therms. Base load usage will be based upon Customer's usage in the Company's most recent residential base load period adjusted for cycle length. Availability of this Rate Schedule for new Customers will be based on reasonably anticipated base load usage. The nature of service provided by the Company under this Rate Schedule is firm sales service. Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Public Service Commission of South Carolina (the "Commission").~~

Rates and Charges

The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 25 days after bill date.

Late Payment Charge

A late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the

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~~Issued: November 1, 2002~~

Docket No. [2017-7-G](#)

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Effective: [November 1, 2017](#) ~~November 1, 2002~~

Piedmont Natural Gas Company, Inc. P.S.C.S.C. Tariff
Company's Service Regulations are available at the Company's Web Site at
www.piedmontng.com.

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RATE SCHEDULE 202
(RED-LINED VERSION)

RATE SCHEDULE 202
SMALL GENERAL SERVICE-~~STANDARD RATE~~

Applicability and Character of Service

Gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to any ~~full requirements~~ non-residential Customer whose average daily usage is less than 20 dekatherms per day ~~and whose Summer Load Percentage (SLP) is equal to or less than 30%.~~ Average daily gas usage will be based on the Customer's usage during the most recent past calendar year ended on December 31 and adjusted for cycle length. ~~SLP will be determined based upon the percentage of the Customer's total annual usage represented by the Customer's seven (7) month summer usage (April—October).~~ Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.

The nature of service provided by the Company under this Rate Schedule is firm sales service. Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Public Service Commission of South Carolina (the "Commission").

Rates and Charges

The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service

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Piedmont Natural Gas Company, Inc.

P.S.C.S.C. Tariff

Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.

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**RATE SCHEDULE 208
(RED-LINED VERSION)**

RATE SCHEDULE 208
NEGOTIATED SERVICE

Applicability and Character of Service

On occasions, the Company may have gas that it cannot sell or transportation service that it cannot provide pursuant to its rate schedules because its maximum rates are not competitive with alternate fuels or energy sources. On such occasions, a service opportunity is lost to the Company and to its Customers. This Rate Schedule is designed to permit the Company to provide services at negotiated rates.

Gas service under this Rate Schedule is available on a limited term basis to all non-residential Customers in the area served by the Company in the State of South Carolina who receive services under the Company's Rate Schedules 202, ~~232~~, 252, ~~262~~, 242, 203, 213, 204 or 214. The Company may provide negotiated transportation and sales service to Customers who receive service under Rate Schedule 214 in order to compete with alternate fuels or energy sources. Unless otherwise agreed to by the Company, service under this Rate Schedule is interruptible and the Company has the right to discontinue such service on one hour's notice.

Rate

The rate to be charged for gas service pursuant to this Rate Schedule is subject to negotiation between the Customer and the Company.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of one and a half percent (1 ½%) per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained within Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.

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—Issued: November 1, 2002

—Docket No. 201702-763-G

[Issued:](#)

Effective: November 1, 201702

**RATE SCHEDULE 221
(RED-LINED VERSION)**

RATE SCHEDULE 221
RESIDENTIAL SERVICE-STANDARD RATE

Applicability

~~Gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to a residential unit, which is individually metered. Rate Schedule 221 applies to all residential customers whose base load usage in both of the cycle billing months of July and August is less than 15 therms. Base load usage will be based upon Customer's usage in the Company's most recent residential base load period adjusted for cycle length. Availability of this Rate Schedule for new Customers will be based on reasonably anticipated base load usage. Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Public Service Commission of South Carolina (the "Commission").~~

Rates and Charges

~~The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.~~

Payment of Bills

~~Bills are net and due upon receipt. Bills become past due 25 days after bill date.~~

Late Payment Charge

~~A late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.~~

Service Interruption and Curtailment

~~Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".~~

Applicable Documents Defining Obligations of the Company and Its Customers

~~Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.~~

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**RATE SCHEDULE 232
(RED-LINED VERSION)**

RATE SCHEDULE 232
SMALL GENERAL SERVICE VALUE RATE

Applicability and Character of Service

~~Gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to any full requirements non-residential Customer whose average daily usage is less than 20 dekatherms per day and whose Summer Load Percentage (SLP) is greater than 30%. Average daily gas usage will be based on the Customer's usage during the most recent calendar year ended on December 31 and adjusted for cycle length. SLP will be determined based upon the percentage of the Customer's total annual usage represented by the Customer's seven (7) month summer usage (April—October). Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.~~

~~Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Public Service Commission of South Carolina (the "Commission").~~

Rates and Charges

~~The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.~~

Payment of Bills

~~Bills are net and due upon receipt. Bills become past due 15 days after bill date.~~

Late Payment Charge

~~A late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.~~

Service Interruption and Curtailment

~~Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".~~

Applicable Documents Defining Obligations of the Company and Its Customers

~~Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr.,~~

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Issued: ~~November 1, 2002~~

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Piedmont Natural Gas Company, Inc.

P.S.C.S.C. Tariff

~~Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.~~

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~~Issued: 2002-63-G~~

Effective: November 1, 2017~~November 1, 2002~~

**RATE SCHEDULE 243
(RED-LINED VERSION)**

RATE SCHEDULE 243
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE

Availability

Gas Service under this Rate Schedule is available, on an experimental basis, in the area served by the Company in the State of South Carolina to all existing and qualified potential customers under Rate Schedules 201, ~~221~~, 202, ~~232~~, 252, ~~262~~, 203, 204, 213 and 214 seeking to purchase or transport Natural Gas for use as a motor vehicle fuel. All requests for Service under this Rate Schedule shall be subject to application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

This Rate Schedule is experimental in nature and designed to (a) determine the relative need for sales/transportation service to meet the Natural Gas motor vehicle fuel needs of Customers qualified for and/or receiving service under the applicable rate schedules identified above, and (b) to determine whether Company's existing facilities and structures can accommodate the provision of such Service. Company reserves the right, upon reasonable notice to the Commission, to suspend Service to new Customers under this Rate Schedule in the event further Service under this Rate Schedule would threaten, interfere with, or impede Piedmont's ability to meet its other contractual obligations or efficiently operate its system and/or facilities. Absent such suspension by Piedmont, this Rate Schedule shall remain in effect for a period of two (2) years after which Service hereunder may continue to be provided subject to any proposal by Piedmont or any other interested party to terminate, extend, modify or adjust the provision of such Service.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule shall be commensurate with the nature of Service for which Customer is qualified under the applicable Rate Schedule identified above. Gas received under the provisions of this Rate Schedule shall be used for motor vehicle fuel purposes only.

All Gas delivered pursuant to this Rate Schedule shall be metered and billed by the Company separately from any Gas delivered to Customer under any other Rate Schedule and utilized for non-motor vehicle fuel purposes.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 206, "Schedule for Limiting and Curtailing Service."

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 207, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule shall be those rates and charges (and components thereof) applicable to the corresponding individual Rate Schedule under which Customer qualifies for Service. These rates and charges are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy

~~Issued by Thomas E. Skains, Chairman, President and CEO~~

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RATE SCHEDULE 243
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE

of the “Rates and Charges” tariff sheet is also on file with the Public Service Commission of South Carolina (the “Commission”) and at each of the district offices of the Company. Rates applicable to Service hereunder may, to the extent such Service includes compression of Gas for utilization as a motor vehicle fuel, include a per therm compression charge designed to recover the costs associated with such compression and related equipment. The maximum compression charge to be included is \$.50 per therm. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company’s Web Site.

Payment of Bills

Bills for Service rendered pursuant to this Rate Schedule shall be due and payable as provided under the individual Rate Schedules identified above under which Customer is qualified for Service.

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina (“Commission Rules”) and to the Company’s Service Regulations. Among other things, the Commission Rules and the Company’s Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission’s Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company’s Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company’s Service Regulations are available at the Company’s Web Site at www.piedmontng.com.

Resale

Gas delivered to Customer under the provisions and authority of this Rate Schedule, except for Customers receiving Gas for motor vehicle fuel purposes under Rate Schedule 201-~~and 221~~, may be resold solely for use as a motor fuel.

Taxes

Customer shall be solely and exclusively responsible for the payment of any local, state, or federal road tax, motor fuel tax, or similar tax, fee, or charge attributable to or arising out of the utilization of Gas delivered hereunder as a motor vehicle fuel.

Treatment of Gas Quantities Received Pursuant to this Rate Schedule

All quantities of Gas delivered to Customer for use as a motor fuel pursuant to this Rate Schedule 243 during any Annual Review Period shall be aggregated with quantities of Gas received by Customer under any of the Rate Schedules identified above solely for the purpose of establishing Customer’s eligibility for continued Service from Company as provided in Paragraphs 34 ~~and 35~~ ~~and 36~~ of Piedmont’s Service Regulations.

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**RATE SCHEDULE 252
(RED-LINED VERSION)**

RATE SCHEDULE 252
MEDIUM GENERAL SERVICE ~~STANDARD RATE~~

Applicability and Character of Service

Gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to any ~~full requirements~~ non-residential Customer whose average daily usage is equal to or greater than 20 dekatherms per day but less than 50 dekatherms per day ~~and whose Summer Load Percentage (SLP) is equal to or less than 30%~~. Average daily gas usage will be based on the Customer's usage during the most recent calendar year ended on December 31 and adjusted for cycle length. ~~SLP will be determined based upon the percentage of the Customer's total annual usage represented by the Customer's seven (7) month summer usage (April—October).~~ Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.

The nature of service provided by the Company under this Rate Schedule is firm sales service.

Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Public Service Commission of South Carolina (the "Commission").

Rates and Charges

The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including

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Piedmont Natural Gas Company, Inc.

P.S.C.S.C. Tariff

events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.

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**RATE SCHEDULE 262
(RED-LINED VERSION)**

RATE SCHEDULE 262
MEDIUM GENERAL SERVICE-VALUE RATE

Applicability and Character of Service

~~Gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to any full requirements non-residential Customer whose average daily usage is equal to or greater than 20 dekatherms per day but less than 50 dekatherms per day and whose Summer Load Percentage (SLP) is greater than 30%. Average daily gas usage will be based on the Customer's usage during the most recent calendar year ended on December 31 and adjusted for cycle length. SLP will be determined based upon the percentage of the Customer's total annual usage represented by the Customer's seven (7) month summer usage (April—October). Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.~~

~~Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Public Service Commission of South Carolina (the "Commission").~~

Rates and Charges

~~The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.~~

Payment of Bills

~~Bills are net and due upon receipt. Bills become past due 15 days after bill date.~~

Late Payment Charge

~~A late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.~~

Service Interruption and Curtailment

~~Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".~~

Applicable Documents Defining Obligations of the Company and Its Customers

~~Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr.,~~

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Piedmont Natural Gas Company, Inc.

P.S.C.S.C. Tariff

~~Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.~~

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SERVICE REGUALTIONS (RED-LINED VERSION)

**PIEDMONT NATURAL GAS COMPANY
SOUTH CAROLINA SERVICE REGULATIONS**

1. Foreword. Piedmont Natural Gas Company, Inc. (the “Company”) is a natural gas distribution company and is engaged in the business of selling and transporting natural gas for various Customers. The purpose of these Service Regulations is to set forth the respective obligations of the Company and its South Carolina Customers.

2. Definitions. As used in these Service Regulations, the following terms shall have the meanings assigned below:

- (a) The “Commission” shall mean the Public Service Commission of South Carolina, which regulates gas utilities operating within the State of South Carolina.
- (b) The “Company” shall mean Piedmont Natural Gas Company, Inc.
- (c) “Customer” shall mean any person, firm, association, or corporation, or any agency of the Federal, State or local government receiving gas service from the Company.
- (d) “Dekatherm” is the basic energy unit purchased by the Company and shall mean the unit of energy equivalent to 1,000,000 BTU.
- (e) “Force Majeure” shall mean acts of God, extreme weather conditions, strikes, lockouts, or other industrial disturbances, acts of the public enemy, war, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakages or accidents to machinery, lines of pipe or the Company's peak shaving plants, freezing of wells or lines of pipe, partial or complete curtailment of deliveries to the Company by its suppliers, reduction in gas pressure by its suppliers, inability to obtain rights-of-way or permits or materials, equipment or supplies for use in the Company's peak shaving plants, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Company and which by the exercise of due diligence the Company is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Company, and the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Company.
- (f) “Gas” shall mean undiluted natural gas, or a substitute for or mixture thereof, as delivered by the Company.

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- (g) “Gas Service Line” shall mean the pipe that runs between a main or a pipeline and a Customer’s meter.
- (h) “Main” shall mean a gas pipe, owned, operated or maintained by the Company, which is used for the purpose of transmission or distribution of gas, but does not include “Gas Service Line”.
- (i) “Margin” for curtailment purposes shall mean the filed tariff rate per unit of gas or negotiated rate per unit of gas for a Customer, less the per unit cost of gas, where applicable, as determined in the Company’s last general rate case or Purchased Gas Adjustment proceeding, adjusted for any temporary decrements or increments in the filed tariff rate.
- (j) “Meter”, without other qualification, shall mean any device, or instrument which is used by the Company in measuring a quantity of gas.
- (k) “Meter assembly” shall mean the Company’s meters, regulator, piping, valves, vents, relief valves, gauges and/or other apparatus required to meter and control flow or pressure of gas.
- (l) “Operating Conditions” shall mean any modification, test or scheduled or unscheduled repair to the Company’s distribution system which in the Company’s discretion is necessary to maintain the integrity of the Company’s distribution system or to provide for the safety of the Company or the public.
- (m) “Operational Order” shall mean a written order by the Company’s dispatcher, or other Company representative acting on behalf of the Company’s dispatcher, to limit, modify, curtail or interrupt the use of Gas as required or permitted by the Commission Rules and the Company’s Service Regulations, Special Contracts, and Rate Schedules.
- (n) “Premise(s)” shall mean a piece of land or real estate, including buildings and other appurtenances thereon.
- (o) “Therm” is the basic billing unit of the Company and shall mean the unit of energy equivalent to 100,000 BTU.
- (p) “Transportation” shall mean the receipt of natural gas supplies that have been arranged by the Customer for delivery to the Company’s city gate and the redelivery of such natural gas supplies to the Customer’s premise.
- (q) “Unauthorized Gas” shall have the meaning set forth in Rate Schedule 206.

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3. Applicable Documents Defining Obligations of the Company and its Customers. The obligations of the Company to provide service and the obligations of the Customer upon receipt of service are set forth in (a) the applicable statutes as set forth in Section 58 of the Code of Laws of South Carolina, (b) the applicable Rules and Regulations of the Commission, (c) the applicable rate schedule(s), (d) these Service Regulations and (e) any written application or other document executed by the Company and the Customer pertaining to such service. Copies of these documents described in (b)-(e) above are available for inspection at each of the district offices of the Company. Upon request of the Customer, the Company will provide the Customer with a copy of the applicable rate schedule(s), these Service Regulations and any written application for service or other documents executed by the Company and the Customer pertaining to such service. No promise, statement or representation by an employee or agent of the Company or by any other person shall bind the Company to provide service or to change the terms and conditions upon which service will be rendered unless the same is in writing and is executed by an authorized representative of the Company. In no event shall the Customer be relieved from its obligation to pay in full the amount due for service received from the Company by the Customer. In the event there is a conflict between these Service Regulations and the provision of the applicable currently effective rate schedule, the provisions of the rate schedule shall govern.

4. Delivery Pressure. The Company will provide to residential Customers a delivery pressure of either 7 inches water column (approximately 1/4 psig) or 2 psig. Commercial and Industrial Customers can be provided a delivery pressure of up to 5 psig. Delivery pressures of higher than 5 psig will be considered only if 1) requested in writing 2) justified by requirements of the fuel burning equipment. Documentation of such requirements must also be provided. Approval will be conditioned on the Company's distribution system pressure availability. Exceptions are subject to the approval of the Company.

5. Applicable Documents Subject to Change. All of the documents defining the obligations of the Company to provide service and the obligations of the Customer upon the receipt of service are subject to change from time to time upon approval of the Commission and by other duly constituted governmental authorities. The Company does not undertake to advise the Customer of any such change except as may be required by the Commission or other duly constituted governmental authority.

6. Non-Waiver. The failure of the Company to enforce any provision of any applicable documents defining the obligations of the Company and its Customers shall not be deemed to be a continuing waiver of such provisions for the Customer or a waiver of any other provision of any of the applicable documents.

7. Application for Initial Service. The Company shall not be required to supply service to the Customer unless and until the Customer has executed an application for

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service which, among other things, contains the date of the application, the name of the applicant, the location of the premises for which service is requested, the type of service applied for and estimated gas consumption. The Company may, at its sole option, waive the requirement for a written application, in which event the obligations of the Company to provide service and the obligations of the Customer upon receipt of service shall be controlled by the other applicable documents defining the obligations of the Company and its Customers.

8. Application to Increase Gas Load. Residential Customers receiving gas service from the Company will be permitted to increase their residential gas loads at the same premises without application to the Company. All other Customers shall make application to the Company before increasing their gas load and before changing the purpose for which they use gas. The application will contain, among other things, the date of the application, the name of the applicant, the location of the premises for which service is requested, the type service applied for and estimated monthly gas consumption. If, in the Company's opinion, the Company has the capability to provide the additional or changed gas service without interfering with the Company's ability to provide service to its other Customers, the Company will permit the Customer to increase its load or to change the purpose for which it uses gas.

9. Non-Assignability of Right to Service. Any rights which accrue to the Customer under any of the applicable documents defining the obligations of the Company and its Customers are personal and may not be transferred or assigned without the written consent of the Company.

10. Vacated Premises. The Customer will notify the Company before quitting or vacating the premises served and will pay upon presentation all bills due the Company.

11. Right-of-Way. The Customer shall at all times furnish the Company a satisfactory and lawful right-of-way, at no cost to the Company, over the Customer's premises for the Company's mains, services, and apparatus necessary or incidental to the furnishing of service. The obligation of the Company to supply service is dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises or permits, for the delivery of such service, and the Company shall not be liable to the Customer for any failure to deliver service because of the Company's inability to secure or retain such rights-of-way, privileges, franchises or permits.

12. Access to Customer's Premises. The Company shall at all reasonable times have the right of ingress to and egress from the premises of the Customer for any and all purposes connected with the provision of service. The Company shall have the right, at its option and at its own expense, to place demand meters, pressure gauges, or other instruments on the premises of the Customer for billing, testing, or other purposes with respect to the Customer's service.

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13. Installation and Maintenance of Facilities. The Company will install and maintain the necessary mains, gas service lines, valves, regulators, meters, over-pressure devices, indexes, gauges, and/or other equipment or facilities required to provide service. All facilities from the point of connection at the outlet of the meter assembly shall be installed and maintained by and at the expense of the Customer. The Company may specify the content and pressure of the gas to be furnished, the location of the meter and the point where the service connection shall be made.

14. Service Line Policy. The facilities to be installed by the Company in accordance with the foregoing paragraph will be at no cost to the Residential Customer if (1) at a minimum the Customer will be installing central gas heating, (2) the gas service line extends along the route selected by the Company and (3) the gas service line is no more than 100 feet. In the event that the above conditions are not met, the service rendered to the Customer must provide a reasonable return to the Company. If the Customer wishes the facilities to be constructed along a route other than the route selected by the Company and/or if the gas service line is more than 100 feet and/or the service to be rendered to the Customer will not produce a reasonable return to the Company, the Company may require the Customer to pay the excess cost of constructing the facilities along the alternate route or in excess of 100 feet and/or to make a contribution which will permit the Company to earn a reasonable return.

15. Relocation of Facilities and Placement of Excess Flow Valves.

- (a) After a service connection has been made, it may be relocated on the Customer's premises by the Company upon request of the Customer, but the Customer must bear the expense of the relocation, and the relocation will not be made where it will interfere with or jeopardize the Company's service either to the Customer desiring the change or to any other Customer or Customers. The Customer must also agree to change the location of the right-of-way and to bear the expense of the change. In no event, however, will the Company be required to relocate facilities if the relocation would interfere with or jeopardize the Company's service, either to the Customer requesting the change or to any other Customer or Customers. All privileges of the Company incident to the original location shall apply to the new location.
- (b) The Customer has the right to request the placement of an Excess Flow Valve ("EFV") on any Gas Service Line that does not already have such a valve installed. The Company shall work with the Customer to reasonably determine the date of such installation. The installation will not be made where it will interfere with or jeopardize the Company's Service either to the Customer desiring the installation or to any other Customer or Customers. As a precondition to installation of an EFV, the Customer

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shall be required to enter into a written agreement with the Company reflecting the terms of such installation and assuming responsibility for all of the actual costs of such installation. The Company shall be entitled to collect a deposit on such costs prior to initiating installation of the EFV in the amount of the estimated cost of installation.

16. Title to the Facilities. The title to all facilities including mains, gas service lines, meters and accessory equipment up to and including the outlet of the meter assembly shall be vested in the Company, notwithstanding any charge which may be made to the Customer for extending service.

17. Responsibility Beyond Delivery Point.

- (a) Before installing gas pipes or appurtenant facilities and before purchasing gas equipment, the Customer shall give the Company notice, and shall ascertain the character of service available at such premise. The Company may specify the content and pressure of gas to be furnished, consistent with Commission rules.
- (b) Before permitting the initial use of gas at any location, a certificate of inspections and tests of the Customer owned piping shall be furnished to the Company by the Customer or by the local inspecting authority.
- (c) All piping and equipment installed by or on behalf of the Customer must be installed and maintained in accordance with the requirements of the local, county, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection of the meter assembly with the facilities of the Company.
- (d) If the Customer's equipment might create either a vacuum or a back pressure, a device must be installed and maintained by the Customer to protect the Company's facilities.
- (e) Equipment which will operate in one locality may be useless in another due to difference in gas pressure or content; therefore, before piping a premises or purchasing equipment, the Customer shall give the Company notice, and shall ascertain the character of service available at such premises.
- (f) The Company is merely a furnisher of gas at the point where it passes from the Company's mains and services to the piping of the Customer, and the Company shall not be responsible for any damage or injury to the buildings or other property of the Customer due to gas installations,

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defective equipment, or other causes not due to the negligence of the Company. The Company shall not be in any way responsible for the transmission, use, or control of gas beyond the delivery point, and the Company shall not be liable for any damage or injury to any person or property whatsoever, or for the death of any person or persons arising, accruing, or resulting in any manner from the receiving or use of gas.

18. Interference with Company Property. The Customer shall not interfere with or alter the Company's meters or other property or permit the same to be done by any person other than the Company's authorized agents or employees. Damages caused or permitted by the Customer to said property shall be paid for by the Customer. South Carolina law makes it unlawful to alter, tamper with or by-pass a gas meter. This law provides for fines and/or imprisonment at the discretion of the court for this offense. In addition, this statute provides for recovery in a civil action by the Company for losses and damages sustained.

19. Excavation in Proximity of Company's Facilities. The Customer shall inform the Company of planned excavation activities in the proximity of the Company's facilities by calling the toll free number 1-800-922-0983 at least 72 hours in advance of the planned excavation activities. The Customer will notify the Company prior to any additions or changes in his or her facilities which will extend over, under, or in close proximity to the Company's facilities.

20. Prohibition Against Resale of Gas. Gas is sold and delivered upon the express condition that the Customer shall not directly sell or resell, assign, or otherwise dispose of gas, or any part thereof, to any person, firm, or corporation, except where service is supplied under a rate schedule specifically providing for resale. Under no circumstances will the Company supply gas for resale in competition with the Company.

21. Curtailment or Interruption of Service. In the event of a curtailment or interruption of service, the Company shall use all reasonable diligence to remove the cause or causes thereof, but the Company shall not be liable for any loss or damage resulting from such curtailment or interruption due to accidents, force majeure, extreme weather conditions, operating conditions or causes beyond its control.

22. Action to Maintain System Integrity. When the Company in its discretion determines that it is necessary to limit, modify, curtail or interrupt service to maintain the integrity of its distribution or transmission system, to provide for its or the public's safety, or otherwise when Operating Conditions are such that the Company deems such action to be necessary, the Company shall have the right to limit, modify, curtail or interrupt service to any Customer through the issuance of an Operational Order. Violation of such Operational Orders by any Customer shall subject such Customer to disconnection and/or financial penalties as provided in Rate Schedule 206.

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23. Discontinuance of Service. The Company, subject to the rules of the Commission, shall have the right to suspend or discontinue its service for (a) repairs or other necessary work on its mains or systems, (b) for nonpayment of bill in accordance with the R103-452 of the Commission's Rules and Regulations, as the same may be amended from time to time, and (c) for any of the following reasons:

- (a) For any misrepresentation as to the identity of the Customer making the application for service.
- (b) For violation by the Customer of any terms or conditions of the documents defining the obligations of the Company to provide service and the obligations of the Customer upon the receipt of service.
- (c) For the reason that the Customer's use of the Company's service is detrimental to the service of other Customers. This may cover a Customer's failure, directly or indirectly, to deliver Gas to the Company or the violation by the Customer of an Operational Order.
- (d) For the reason that the Customer's use of the Company's service conflicts with or violates orders, ordinances or laws of the State of South Carolina, or any subdivision thereof, or of the Commission or of any other governmental agency having jurisdiction over the Company or the Customer.
- (e) For the reason that piping, equipment, appliance or device is installed or in use on the Customer's premises which permits the gas to be used without passing through the Company's meter, or which prevents or interferes with the accurate measuring of the gas by the Company's meter other than when such gas use is authorized under a non-metered rate schedule.
- (f) For failure of the Customer to make, restore, or increase his or her deposit as required.
- (g) In the event of a condition determined by the Company to be hazardous.
- (h) In the event of tampering with the equipment furnished and owned by the Company.

Where the service has been discontinued for any reason except for the failure to pay for repairs or other necessary work by the Company, the Company shall have the right to refuse service at the same premises to any other applicant who is a member of the family of the former Customer, or who resided on said premises until the reason for

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discontinuance has been resolved. The Company may require reasonable proof of identity of the applicant of service.

24. Removal of Equipment. In the event of such discontinuation of service, the Company may enter the premises of the Customer at any reasonable time and remove the Company's meters, apparatus, appliances, fixtures or other property.

25. Non-Waiver of Default. Any delay or omission on the part of the Company to exercise its right to discontinue or suspend service, or the acceptance of a part of any amount due, shall not be deemed a waiver by the Company of such right so long as any default in whole or in part or breach of contract on the part of the Customer shall continue, and whenever and as often as any default or breach of contract shall occur.

26. Establishment of Credit by the Customer. The Company may require an applicant for service to satisfactorily establish credit pursuant to R103-431 of the Commission's Rules and Regulations.

27. Deposits. Pursuant to R103-431 of the Commission's Rules and Regulations the Company may require from any Customer or from any prospective Customer, a cash deposit intended to guarantee payment of bills for service. Interest paid on deposit and deposit retention will be in accordance with R103-433 and R103-436 of the Commission's Rules and Regulations.

28. Billing Procedure.

- (a) Meters will be read and bills rendered monthly on a cycle basis of not less than 28 days nor more than 34 days. All bills are due and payable at the office of the Company during regular business hours when rendered and become past due after twenty-five (25) days in the case of residential Customers and fifteen (15) days in the case of Customers other than residential, from the date the bill is rendered.
- (b) A late payment charge of one and one-half percent (1½%) per month will be applied to all Customers' balances not paid within twenty-five (25) days from the billing date.
- (c) The Company will endeavor to deliver to the Customer a monthly bill of the amount due to the Company by mailing said bill by first-class mail to the mailing address furnished by the Customer or, at the Customer's election, by sending the bill electronically by way of computer internet connection. Failure to receive a

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bill will not entitle the Customer to any extension of time for payment beyond the past due date.

- (d) Where a meter for any reason is not read at the regular reading date, the Company may estimate the amount of service used by referring to the Customer's consumption for a similar prior period. To the extent practicable, the Company will avoid sending the Customer two successive estimated bills; however, in cases of force majeure, as defined under Section 2(e) Definitions, bill estimates may be permitted for two successive billing periods, or greater. The Company will bill the Customer on the basis of the estimated use and will make any necessary adjustments when the meter is next read.
- (e) No claim or demand which the Customer may have against the Company shall be offset or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered, and all such sums shall be paid in accordance with the agreement regardless of such claim or demand.

29. Adjustment of Bills Due to Failure or Inaccuracy of Meter. Bills which are incorrect due to meter or billing errors will be adjusted as provided in R103-440 of the Commission's Rules and Regulations. Transportation Customers requiring adjustment to their bills for meter or billing errors shall be adjusted in accordance with R103-440 of the Commission's Rules and Regulations except for the commodity portion which shall be cashed out in accordance with Rate Schedule 207.

30. Returned Check Charge. Where the Customer makes payment for service by check which is not honored or paid by the bank, full payment will immediately be due and payable, and the Commission approved handling charge will be made.

31. Curtailment of Service. It is contemplated that the Company will from time to time find it necessary to curtail gas service to those Customers who purchase gas from the Company under interruptible rate schedules. In addition, unavailability of gas supplies, requirements of public safety or other factors beyond the control of the Company may make curtailment of any Customer necessary. In all such events, to the extent practicable, the Company will curtail those Customers paying the least margin per dekatherm first. If it is necessary to interrupt some but not all of the Customers paying the same margin per dekatherm, then, to the extent practicable, service shall be curtailed to the Customers paying the same margin per dekatherm on a pro rata basis.

32. Reconnection Fees. When service has been discontinued at the request of the Customer or a member of the Customer's family residing at the same residence, or for nonpayment of bills, and if reconnection is requested by the same Customer or a member of such Customer's family residing at the same residence, on the same premises within one year after date of discontinuance, the Commission-approved Reconnection Fees will be charged.

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33. Applicable Rate Schedules. The Company will at all times have current rate schedules on file with the Commission. The rates contained in these rate schedules are subject to change from time to time as permitted by the Commission.

~~34. Residential Rate Service Classification. Residential rate service classification under the Company's Rate Schedules 201 and 221 shall be based on the following criteria:~~

~~— A. — Definitions: As used in residential rate service classification, the following terms shall have the meanings assigned below:~~

~~(1) "Residential Base Load Period" shall mean the cycle billing months of July and August.~~

~~(2) "Base Load Usage" shall mean the amount of natural gas used by the Customer as reflected by the Company's invoices for the Customer during the cycle billing months of July and August.~~

~~B. — Procedure:~~

~~Step 1. During the month of September of each year, the Company will determine for each Customer served under Rate Schedules 201 and 221 the Customer's Base Load Usage during each month of the Company's Residential Base Load Period.~~

~~Step 2. A Rate Schedule 201 Customer whose base load usage during each month of the Residential Base Load Periods of the most recent two years is less than 15 therms will be transferred to Rate Schedule 221. A Rate Schedule 221 Customer whose base load usage is equal to or greater than 15 therms in either month of the Residential Base Load Period of the most recent past year will be transferred to Rate Schedule 201.~~

~~All changes in rate classification under this section shall be effective on the first day of November following the most recent Residential Base Load Period.~~

~~C. — Exceptions:~~

~~(1) New Customers will be assigned a Residential Rate Classification according to their reasonably anticipated base load usage associated with the type and number of appliances installed at the Customer's premise prior to the gas meter being set and turned on.~~

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~~(2) Existing Customers currently being billed under Rate Schedule 221 who add a piece of natural gas equipment that will clearly increase the Customer's base load usage to a level that will qualify that Customer for Rate Schedule 201 may, upon notification to the Company and subject to verification by the Company, be transferred to the new Rate Schedule prior to November 1.~~

~~(3) All Residential Customers who receive a rebate for the purchase and installation of a qualifying natural gas tankless water heater pursuant to the Company's High Efficiency Equipment Rebate Program or who otherwise make known to the Company that they operate for their premise a natural gas tankless water heater, shall be billed under Rate Schedule 201.~~

345. Commercial Rate Service Classification. Commercial Rate Service Classification under the Company's Rate Schedules 202 ~~and, 232,~~ 252 ~~and 262~~ shall be based on the following criteria:

A. Definitions: As used in Commercial Rate Service Classification, the following terms shall have the meanings assigned below:

- (1) "Annual Review Period" shall mean the twelve (12) months ended on December 31 of each year.
- (2) "Actual Annual Usage" shall mean the actual natural gas volumes consumed by the Customer during the Annual Review Period as reflected on the Company's invoices for the Customer.
- (3) "Classification Usage" shall mean the usage criteria that establishes the minimum and/or maximum average daily usage that must be maintained in order to receive service under a rate schedule. The classification usage for Rate Schedule 202 ~~and Rate Schedule 232~~ shall be less than an average of 20 dekatherms per day. The classification usage for Rate Schedule 252 ~~and Rate Schedule 262~~ shall equal or exceed an average of 20 dekatherms per day but be less than an average of 50 dekatherms per day.
- (4) "Involuntary Curtailment Days" shall mean those days or portions of days in a given Annual Review Period where curtailment of the Customer's natural gas service was imposed by the Company's decision to curtail.

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- (5) “Service Days” shall mean 365 days less the number of Involuntary Curtailment Days.
- (6) “Average Daily Usage” shall be the Customer’s Actual Annual Usage divided by the number of Service Days within the Annual Review Period.
- ~~(7) “Summer Load Percentage” (SLP) shall mean the percentage of the Customer’s Actual Annual Usage that occurs during the seven (7) month summer period of April through October in a given calendar year.~~

B. Procedures:

- (1) At the conclusion of the Annual Review Period of each year and prior to June 1st of the ensuing year, the Company will determine for each Customer served under Rate Schedule 202 and, ~~Rate Schedule 232,~~ Rate Schedule 252, ~~and Rate Schedule 262~~ that Customer’s Average Daily Usage ~~and their SLP~~.
- (2) Those Customers currently receiving service under Rate Schedule 202 ~~or Rate Schedule 232~~ whose Average Daily Usage is equal to or exceeds 20 Dekatherms a day, will be transferred to Rate Schedule 252 ~~or Rate Schedule 262 as applicable~~, effective on the first day of June following the most recent Annual Review Period.
- ~~(3) Those Customers currently receiving service under Rate Schedule 202 whose Average Daily Usage is less than 20 Dekatherms a day but whose SLP is greater than 30% will be transferred to Rate Schedule 232 effective the first day of June following the most recent Annual Review Period.~~
- ~~(4) Those Customers currently receiving service under Rate Schedule 232 whose Average Daily Usage is less than 20 Dekatherms a day but whose SLP in each of the most recent two (2) Annual Review Periods is equal to or less than 30% will be transferred to Rate Schedule 202 effective the first day of June following the most recent Annual Review Period.~~
- ~~(5)~~ (3) Those Customers currently receiving service under Rate Schedule 252 ~~or Rate Schedule 262~~ whose Average Daily Usage in each of the most recent two (2) Annual Review Periods is less than 20 Dekatherms a day, will be transferred to Rate Schedule 202 ~~or Rate~~

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~~Schedule 232 as applicable~~, effective on the first day of June following the second, and most recent, Annual Review Period.

~~(6) Those Customers currently receiving service under Rate Schedule 252 whose Average Daily Usage is equal to or greater than 20 Dekatherms a day but whose SLP exceeds 30% will be transferred to Rate Schedule 262 effective the first day of June following the most recent Annual Review Period.~~

~~(7) Those Customers currently receiving service under Rate Schedule 262 whose Average Daily Usage is equal to or greater than 20 Dekatherms a day but whose SLP in each of the most recent two (2) Annual Review Periods is equal to or less than 30% will be transferred to Rate Schedule 252 effective the first day of June following the most recent Annual Review Period.~~

~~(8)~~(4) Those Customers currently receiving service under Rate Schedule 202 ~~or, 232, 252, or 262~~ whose Average Daily Usage in each of the most recent two (2) Annual Review Periods is equal to or greater than 110% of 50 dekatherms per day will be transferred to Rate Schedule 203, 204, 213, or 214 as applicable.

- C. Exceptions: If a Customer currently being billed under Rate Schedule 202 ~~or Rate Schedule 232~~ adds natural gas equipment that increases the Customer's Average Daily Usage to the point where the Customer will qualify for Rate Schedule 252 ~~or Rate Schedule 262~~, the Company may, upon notification from the Customer and subject to installation verification by the Company, transfer the Customer to the new Rate Schedule prior to June 1 of that year.

356. Industrial Rate Service Classification. Rate service classification under the Company's Rate Schedules, 203, 204, 213 and 214 shall be based on the following criteria:

- A. Definitions: As used in rate service classification, the following terms shall have the meanings assigned below:
- (1) "Actual Annual Usage" shall mean the actual natural gas volumes sold or transported for the Customer by the Company as reflected on the Company's bills for that Customer.

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- (2) “Average Dekatherm per Day” shall mean the Actual Annual Usage of the Customer divided by the number of Service Days within the Review Period.
- (3) “Classification Usage” shall mean the usage criteria that establishes the minimum and/or maximum average usage that must be maintained in order to receive service under any rate schedule. For existing Customers, the classification usage for Rate Schedule 202 shall not exceed an average usage of 50 dekatherms per day. For existing Customers, the classification usage for Rate Schedules 203, 204, 213 and 214 shall exceed an average usage of 50 dekatherms per day.
- (4) “Involuntary Curtailment Days” shall mean those days or portions of days in a given Review Period where curtailment of the Customer’s natural gas service was imposed by the Company’s decision to curtail.
- (5) “Review Period” shall mean the twelve (12) months ended on December 31, or the regularly scheduled meter reading nearest December 31.
- (6) “Service Days” shall mean 365 days less the number of Involuntary Curtailment Days plus the number of days that the Customer consumed an alternative fuel to natural gas.

B. Procedure:

Step 1. During January and February of each year, the Company will determine for each Customer served under Rate Schedules, 203, 204, 213 and 214 the Customer’s Average Dekatherm per Day usage for each of the two most recent Review Periods.

Step 2. A Rate Schedule 202 ~~or, 232, 252 or 262~~ Customer whose usage is 110% of the 50 dekatherms threshold in the two most recent Review periods will be transferred to Rate Schedule 203, 204, 213 or 214, as applicable. A Rate Schedule 203, 204, 213 or 214 Customer whose usage is equal to or less than 90% of the 50 dekatherms threshold in both of the most recent two Review Periods will be transferred to Rate Schedule 202 or 252 as the appropriate ~~Medium General Service Rate Schedule~~. Customers receiving service under Rate Schedules 203 or 204 shall be eligible

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to elect transportation service to be effective with the rate reclassification.

All changes in rate classification under this section shall be effective on the first day of June following the review.

Step 3. Customers who are reclassified shall be notified of the change in rate schedule, and receive a copy of the tariff sheets applicable to the Customer's old and new rate schedules at least 21 days prior to the effective date of the change.

- C. Exceptions: If a Customer adds or retires a major piece of gas-burning equipment, changes the hours of operations or otherwise materially alters the Customer's business that will clearly increase, or decrease, the Customer's consumption on an ongoing basis to a level that will change the Customer's ability to qualify the Customer for a particular rate schedule, the Customer shall report such changes to the Company and afford the Company an opportunity to inspect the change in equipment and to meet with the Customer to review and discuss the anticipated future level of consumption. If, after such inspection and meeting, the Company is satisfied that reclassification is appropriate, the reclassification will occur within two months after the new equipment is in place and operational, or the retirement is completed, and the first meter reading reflects the higher anticipated usage resulting from the new equipment or the lower anticipated usage resulting from the retirement. Any reclassification pursuant to this paragraph is subject to correction if actual experience so warrants. If the reclassification results in qualification for service under Rate 203 or 204, the Customer shall provide an election form one week prior to reclassification if a transportation election is desired. Otherwise, service will be provided under Rate Schedule 203 or 204, dependent upon rate qualification.
- D. Requirements: Upon reclassification from Rate 202 ~~or 232~~, 252 ~~or 262~~ to either Rate 203, 204, 213, or 214, the Customer will be responsible for installing and maintaining, at the Customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment.

**PIEDMONT NATURAL GAS COMPANY
SOUTH CAROLINA SERVICE REGULATIONS**

367. Limitation on Liability for Rendering Service on an Incorrect Rate Schedule. If it is determined that the Customer has been placed on an incorrect rate schedule, the Customer shall be placed immediately on the correct rate schedule and the Customer's bill shall be adjusted for such period (not to exceed 6 months) that the Customer was on the incorrect rate schedule. The Customer and/or Company shall have 90 days in which to pay any such adjustment. Except as herein provided, neither ~~t~~The Company nor the Customer shall have any liability to the other party with respect to the purchase and/or sale of gas under an incorrect rate schedule.

378. Agency Authorization. Certain Rate Schedules permit the Customer to authorize the Customer's Agent to act on its behalf with respect to nominations, imbalance resolution, and/or billing. In order to be considered the Customer's agent, the agent must execute and be in compliance with all the terms of the Customer Agent Agreement form.

RATE SCHEDULE 201

(CLEAN VERSION)

RATE SCHEDULE 201
RESIDENTIAL SERVICE

Applicability

Gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to a residential unit, which is individually metered, and to governmental housing projects. The nature of service provided by the Company under this Rate Schedule is firm sales service.

Rates and Charges

The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 25 days after bill date.

Late Payment Charge

A late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.

RATE SCHEDULE 202

(CLEAN VERSION)

**RATE SCHEDULE 202
SMALL GENERAL SERVICE**

Applicability and Character of Service

Gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to any non-residential Customer whose average daily usage is less than 20 dekatherms per day. Average daily gas usage will be based on the Customer's usage during the most recent past calendar year ended on December 31 and adjusted for cycle length. Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.

The nature of service provided by the Company under this Rate Schedule is firm sales service. Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Public Service Commission of South Carolina (the "Commission").

Rates and Charges

The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.

Issued to comply with authority granted by
The Public Service Commission of South Carolina
Docket No. 2017-7-G
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RATE SCHEDULE 208

(CLEAN VERSION)

RATE SCHEDULE 208
NEGOTIATED SERVICE

Applicability and Character of Service

On occasions, the Company may have gas that it cannot sell or transportation service that it cannot provide pursuant to its rate schedules because its maximum rates are not competitive with alternate fuels or energy sources. On such occasions, a service opportunity is lost to the Company and to its Customers. This Rate Schedule is designed to permit the Company to provide services at negotiated rates.

Gas service under this Rate Schedule is available on a limited term basis to all non-residential Customers in the area served by the Company in the State of South Carolina who receive services under the Company's Rate Schedules 202, 252, 242, 203, 213, 204 or 214. The Company may provide negotiated transportation and sales service to Customers who receive service under Rate Schedule 214 in order to compete with alternate fuels or energy sources. Unless otherwise agreed to by the Company, service under this Rate Schedule is interruptible and the Company has the right to discontinue such service on one hour's notice.

Rate

The rate to be charged for gas service pursuant to this Rate Schedule is subject to negotiation between the Customer and the Company.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of one and a half percent (1 ½%) per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained within Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.

RATE SCHEDULE 243

(CLEAN VERSION)

RATE SCHEDULE 243
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE

Availability

Gas Service under this Rate Schedule is available, on an experimental basis, in the area served by the Company in the State of South Carolina to all existing and qualified potential customers under Rate Schedules 201, 202, 252, 203, 204, 213 and 214 seeking to purchase or transport Natural Gas for use as a motor vehicle fuel. All requests for Service under this Rate Schedule shall be subject to application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

This Rate Schedule is experimental in nature and designed to (a) determine the relative need for sales/transportation service to meet the Natural Gas motor vehicle fuel needs of Customers qualified for and/or receiving service under the applicable rate schedules identified above, and (b) to determine whether Company's existing facilities and structures can accommodate the provision of such Service. Company reserves the right, upon reasonable notice to the Commission, to suspend Service to new Customers under this Rate Schedule in the event further Service under this Rate Schedule would threaten, interfere with, or impede Piedmont's ability to meet its other contractual obligations or efficiently operate its system and/or facilities. Absent such suspension by Piedmont, this Rate Schedule shall remain in effect for a period of two (2) years after which Service hereunder may continue to be provided subject to any proposal by Piedmont or any other interested party to terminate, extend, modify or adjust the provision of such Service.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule shall be commensurate with the nature of Service for which Customer is qualified under the applicable Rate Schedule identified above. Gas received under the provisions of this Rate Schedule shall be used for motor vehicle fuel purposes only.

All Gas delivered pursuant to this Rate Schedule shall be metered and billed by the Company separately from any Gas delivered to Customer under any other Rate Schedule and utilized for non-motor vehicle fuel purposes.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 206, "Schedule for Limiting and Curtailing Service."

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 207, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule shall be those rates and charges (and components thereof) applicable to the corresponding individual Rate Schedule under which Customer qualifies for Service. These rates and charges are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Public Service Commission of South

RATE SCHEDULE 243
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE

Carolina (the “Commission”) and at each of the district offices of the Company. Rates applicable to Service hereunder may, to the extent such Service includes compression of Gas for utilization as a motor vehicle fuel, include a per therm compression charge designed to recover the costs associated with such compression and related equipment. The maximum compression charge to be included is \$.50 per therm. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company’s Web Site.

Payment of Bills

Bills for Service rendered pursuant to this Rate Schedule shall be due and payable as provided under the individual Rate Schedules identified above under which Customer is qualified for Service.

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina (“Commission Rules”) and to the Company’s Service Regulations. Among other things, the Commission Rules and the Company’s Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission’s Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company’s Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company’s Service Regulations are available at the Company’s Web Site at www.piedmontng.com.

Resale

Gas delivered to Customer under the provisions and authority of this Rate Schedule, except for Customers receiving Gas for motor vehicle fuel purposes under Rate Schedule 201, may be resold solely for use as a motor fuel.

Taxes

Customer shall be solely and exclusively responsible for the payment of any local, state, or federal road tax, motor fuel tax, or similar tax, fee, or charge attributable to or arising out of the utilization of Gas delivered hereunder as a motor vehicle fuel.

Treatment of Gas Quantities Received Pursuant to this Rate Schedule

All quantities of Gas delivered to Customer for use as a motor fuel pursuant to this Rate Schedule 243 during any Annual Review Period shall be aggregated with quantities of Gas received by Customer under any of the Rate Schedules identified above solely for the purpose of establishing Customer’s eligibility for continued Service from Company as provided in Paragraphs 34 and 35 of Piedmont’s Service Regulations.

RATE SCHEDULE 252

(CLEAN VERSION)

RATE SCHEDULE 252
MEDIUM GENERAL SERVICE

Applicability and Character of Service

Gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to any non-residential Customer whose average daily usage is equal to or greater than 20 dekatherms per day but less than 50 dekatherms per day. Average daily gas usage will be based on the Customer's usage during the most recent calendar year ended on December 31 and adjusted for cycle length. Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.

The nature of service provided by the Company under this Rate Schedule is firm sales service. Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Public Service Commission of South Carolina (the "Commission").

Rates and Charges

The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.

Issued to comply with authority granted by
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Docket No. 2017-7-G
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SERVICE REGULATIONS

(CLEAN VERSION)

**PIEDMONT NATURAL GAS COMPANY
SOUTH CAROLINA SERVICE REGULATIONS**

1. Foreword. Piedmont Natural Gas Company, Inc. (the “Company”) is a natural gas distribution company and is engaged in the business of selling and transporting natural gas for various Customers. The purpose of these Service Regulations is to set forth the respective obligations of the Company and its South Carolina Customers.

2. Definitions. As used in these Service Regulations, the following terms shall have the meanings assigned below:

- (a) The “Commission” shall mean the Public Service Commission of South Carolina, which regulates gas utilities operating within the State of South Carolina.
- (b) The “Company” shall mean Piedmont Natural Gas Company, Inc.
- (c) “Customer” shall mean any person, firm, association, or corporation, or any agency of the Federal, State or local government receiving gas service from the Company.
- (d) “Dekatherm” is the basic energy unit purchased by the Company and shall mean the unit of energy equivalent to 1,000,000 BTU.
- (e) “Force Majeure” shall mean acts of God, extreme weather conditions, strikes, lockouts, or other industrial disturbances, acts of the public enemy, war, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakages or accidents to machinery, lines of pipe or the Company's peak shaving plants, freezing of wells or lines of pipe, partial or complete curtailment of deliveries to the Company by its suppliers, reduction in gas pressure by its suppliers, inability to obtain rights-of-way or permits or materials, equipment or supplies for use in the Company's peak shaving plants, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Company and which by the exercise of due diligence the Company is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Company, and the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Company.
- (f) “Gas” shall mean undiluted natural gas, or a substitute for or mixture thereof, as delivered by the Company.

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- (g) “Gas Service Line” shall mean the pipe that runs between a main or a pipeline and a Customer’s meter.
- (h) “Main” shall mean a gas pipe, owned, operated or maintained by the Company, which is used for the purpose of transmission or distribution of gas, but does not include “Gas Service Line”.
- (i) “Margin” for curtailment purposes shall mean the filed tariff rate per unit of gas or negotiated rate per unit of gas for a Customer, less the per unit cost of gas, where applicable, as determined in the Company’s last general rate case or Purchased Gas Adjustment proceeding, adjusted for any temporary decrements or increments in the filed tariff rate.
- (j) “Meter”, without other qualification, shall mean any device, or instrument which is used by the Company in measuring a quantity of gas.
- (k) “Meter assembly” shall mean the Company’s meters, regulator, piping, valves, vents, relief valves, gauges and/or other apparatus required to meter and control flow or pressure of gas.
- (l) “Operating Conditions” shall mean any modification, test or scheduled or unscheduled repair to the Company's distribution system which in the Company's discretion is necessary to maintain the integrity of the Company's distribution system or to provide for the safety of the Company or the public.
- (m) “Operational Order” shall mean a written order by the Company’s dispatcher, or other Company representative acting on behalf of the Company’s dispatcher, to limit, modify, curtail or interrupt the use of Gas as required or permitted by the Commission Rules and the Company’s Service Regulations, Special Contracts, and Rate Schedules.
- (n) “Premise(s)” shall mean a piece of land or real estate, including buildings and other appurtenances thereon.
- (o) “Therm” is the basic billing unit of the Company and shall mean the unit of energy equivalent to 100,000 BTU.
- (p) “Transportation” shall mean the receipt of natural gas supplies that have been arranged by the Customer for delivery to the Company’s city gate and the redelivery of such natural gas supplies to the Customer’s premise.
- (q) “Unauthorized Gas” shall have the meaning set forth in Rate Schedule 206.

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3. Applicable Documents Defining Obligations of the Company and its Customers. The obligations of the Company to provide service and the obligations of the Customer upon receipt of service are set forth in (a) the applicable statutes as set forth in Section 58 of the Code of Laws of South Carolina, (b) the applicable Rules and Regulations of the Commission, (c) the applicable rate schedule(s), (d) these Service Regulations and (e) any written application or other document executed by the Company and the Customer pertaining to such service. Copies of these documents described in (b)-(e) above are available for inspection at each of the district offices of the Company. Upon request of the Customer, the Company will provide the Customer with a copy of the applicable rate schedule(s), these Service Regulations and any written application for service or other documents executed by the Company and the Customer pertaining to such service. No promise, statement or representation by an employee or agent of the Company or by any other person shall bind the Company to provide service or to change the terms and conditions upon which service will be rendered unless the same is in writing and is executed by an authorized representative of the Company. In no event shall the Customer be relieved from its obligation to pay in full the amount due for service received from the Company by the Customer. In the event there is a conflict between these Service Regulations and the provision of the applicable currently effective rate schedule, the provisions of the rate schedule shall govern.

4. Delivery Pressure. The Company will provide to residential Customers a delivery pressure of either 7 inches water column (approximately 1/4 psig) or 2 psig. Commercial and Industrial Customers can be provided a delivery pressure of up to 5 psig. Delivery pressures of higher than 5 psig will be considered only if 1) requested in writing 2) justified by requirements of the fuel burning equipment. Documentation of such requirements must also be provided. Approval will be conditioned on the Company's distribution system pressure availability. Exceptions are subject to the approval of the Company.

5. Applicable Documents Subject to Change. All of the documents defining the obligations of the Company to provide service and the obligations of the Customer upon the receipt of service are subject to change from time to time upon approval of the Commission and by other duly constituted governmental authorities. The Company does not undertake to advise the Customer of any such change except as may be required by the Commission or other duly constituted governmental authority.

6. Non-Waiver. The failure of the Company to enforce any provision of any applicable documents defining the obligations of the Company and its Customers shall not be deemed to be a continuing waiver of such provisions for the Customer or a waiver of any other provision of any of the applicable documents.

7. Application for Initial Service. The Company shall not be required to supply service to the Customer unless and until the Customer has executed an application for

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service which, among other things, contains the date of the application, the name of the applicant, the location of the premises for which service is requested, the type of service applied for and estimated gas consumption. The Company may, at its sole option, waive the requirement for a written application, in which event the obligations of the Company to provide service and the obligations of the Customer upon receipt of service shall be controlled by the other applicable documents defining the obligations of the Company and its Customers.

8. Application to Increase Gas Load. Residential Customers receiving gas service from the Company will be permitted to increase their residential gas loads at the same premises without application to the Company. All other Customers shall make application to the Company before increasing their gas load and before changing the purpose for which they use gas. The application will contain, among other things, the date of the application, the name of the applicant, the location of the premises for which service is requested, the type service applied for and estimated monthly gas consumption. If, in the Company's opinion, the Company has the capability to provide the additional or changed gas service without interfering with the Company's ability to provide service to its other Customers, the Company will permit the Customer to increase its load or to change the purpose for which it uses gas.

9. Non-Assignability of Right to Service. Any rights which accrue to the Customer under any of the applicable documents defining the obligations of the Company and its Customers are personal and may not be transferred or assigned without the written consent of the Company.

10. Vacated Premises. The Customer will notify the Company before quitting or vacating the premises served and will pay upon presentation all bills due the Company.

11. Right-of-Way. The Customer shall at all times furnish the Company a satisfactory and lawful right-of-way, at no cost to the Company, over the Customer's premises for the Company's mains, services, and apparatus necessary or incidental to the furnishing of service. The obligation of the Company to supply service is dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises or permits, for the delivery of such service, and the Company shall not be liable to the Customer for any failure to deliver service because of the Company's inability to secure or retain such rights-of-way, privileges, franchises or permits.

12. Access to Customer's Premises. The Company shall at all reasonable times have the right of ingress to and egress from the premises of the Customer for any and all purposes connected with the provision of service. The Company shall have the right, at its option and at its own expense, to place demand meters, pressure gauges, or other instruments on the premises of the Customer for billing, testing, or other purposes with respect to the Customer's service.

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13. Installation and Maintenance of Facilities. The Company will install and maintain the necessary mains, gas service lines, valves, regulators, meters, over-pressure devices, indexes, gauges, and/or other equipment or facilities required to provide service. All facilities from the point of connection at the outlet of the meter assembly shall be installed and maintained by and at the expense of the Customer. The Company may specify the content and pressure of the gas to be furnished, the location of the meter and the point where the service connection shall be made.

14. Service Line Policy. The facilities to be installed by the Company in accordance with the foregoing paragraph will be at no cost to the Residential Customer if (1) at a minimum the Customer will be installing central gas heating, (2) the gas service line extends along the route selected by the Company and (3) the gas service line is no more than 100 feet. In the event that the above conditions are not met, the service rendered to the Customer must provide a reasonable return to the Company. If the Customer wishes the facilities to be constructed along a route other than the route selected by the Company and/or if the gas service line is more than 100 feet and/or the service to be rendered to the Customer will not produce a reasonable return to the Company, the Company may require the Customer to pay the excess cost of constructing the facilities along the alternate route or in excess of 100 feet and/or to make a contribution which will permit the Company to earn a reasonable return.

15. Relocation of Facilities and Placement of Excess Flow Valves.

- (a) After a service connection has been made, it may be relocated on the Customer's premises by the Company upon request of the Customer, but the Customer must bear the expense of the relocation, and the relocation will not be made where it will interfere with or jeopardize the Company's service either to the Customer desiring the change or to any other Customer or Customers. The Customer must also agree to change the location of the right-of-way and to bear the expense of the change. In no event, however, will the Company be required to relocate facilities if the relocation would interfere with or jeopardize the Company's service, either to the Customer requesting the change or to any other Customer or Customers. All privileges of the Company incident to the original location shall apply to the new location.
- (b) The Customer has the right to request the placement of an Excess Flow Valve ("EFV") on any Gas Service Line that does not already have such a valve installed. The Company shall work with the Customer to reasonably determine the date of such installation. The installation will not be made where it will interfere with or jeopardize the Company's Service either to the Customer desiring the installation or to any other Customer or Customers. As a precondition to installation of an EFV, the Customer

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shall be required to enter into a written agreement with the Company reflecting the terms of such installation and assuming responsibility for all of the actual costs of such installation. The Company shall be entitled to collect a deposit on such costs prior to initiating installation of the EFV in the amount of the estimated cost of installation.

16. Title to the Facilities. The title to all facilities including mains, gas service lines, meters and accessory equipment up to and including the outlet of the meter assembly shall be vested in the Company, notwithstanding any charge which may be made to the Customer for extending service.

17. Responsibility Beyond Delivery Point.

- (a) Before installing gas pipes or appurtenant facilities and before purchasing gas equipment, the Customer shall give the Company notice, and shall ascertain the character of service available at such premise. The Company may specify the content and pressure of gas to be furnished, consistent with Commission rules.
- (b) Before permitting the initial use of gas at any location, a certificate of inspections and tests of the Customer owned piping shall be furnished to the Company by the Customer or by the local inspecting authority.
- (c) All piping and equipment installed by or on behalf of the Customer must be installed and maintained in accordance with the requirements of the local, county, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection of the meter assembly with the facilities of the Company.
- (d) If the Customer's equipment might create either a vacuum or a back pressure, a device must be installed and maintained by the Customer to protect the Company's facilities.
- (e) Equipment which will operate in one locality may be useless in another due to difference in gas pressure or content; therefore, before piping a premises or purchasing equipment, the Customer shall give the Company notice, and shall ascertain the character of service available at such premises.
- (f) The Company is merely a furnisher of gas at the point where it passes from the Company's mains and services to the piping of the Customer, and the Company shall not be responsible for any damage or injury to the buildings or other property of the Customer due to gas installations,

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defective equipment, or other causes not due to the negligence of the Company. The Company shall not be in any way responsible for the transmission, use, or control of gas beyond the delivery point, and the Company shall not be liable for any damage or injury to any person or property whatsoever, or for the death of any person or persons arising, accruing, or resulting in any manner from the receiving or use of gas.

18. Interference with Company Property. The Customer shall not interfere with or alter the Company's meters or other property or permit the same to be done by any person other than the Company's authorized agents or employees. Damages caused or permitted by the Customer to said property shall be paid for by the Customer. South Carolina law makes it unlawful to alter, tamper with or by-pass a gas meter. This law provides for fines and/or imprisonment at the discretion of the court for this offense. In addition, this statute provides for recovery in a civil action by the Company for losses and damages sustained.

19. Excavation in Proximity of Company's Facilities. The Customer shall inform the Company of planned excavation activities in the proximity of the Company's facilities by calling the toll free number 1-800-922-0983 at least 72 hours in advance of the planned excavation activities. The Customer will notify the Company prior to any additions or changes in his or her facilities which will extend over, under, or in close proximity to the Company's facilities.

20. Prohibition Against Resale of Gas. Gas is sold and delivered upon the express condition that the Customer shall not directly sell or resell, assign, or otherwise dispose of gas, or any part thereof, to any person, firm, or corporation, except where service is supplied under a rate schedule specifically providing for resale. Under no circumstances will the Company supply gas for resale in competition with the Company.

21. Curtailment or Interruption of Service. In the event of a curtailment or interruption of service, the Company shall use all reasonable diligence to remove the cause or causes thereof, but the Company shall not be liable for any loss or damage resulting from such curtailment or interruption due to accidents, force majeure, extreme weather conditions, operating conditions or causes beyond its control.

22. Action to Maintain System Integrity. When the Company in its discretion determines that it is necessary to limit, modify, curtail or interrupt service to maintain the integrity of its distribution or transmission system, to provide for its or the public's safety, or otherwise when Operating Conditions are such that the Company deems such action to be necessary, the Company shall have the right to limit, modify, curtail or interrupt service to any Customer through the issuance of an Operational Order. Violation of such Operational Orders by any Customer shall subject such Customer to disconnection and/or financial penalties as provided in Rate Schedule 206.

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23. Discontinuance of Service. The Company, subject to the rules of the Commission, shall have the right to suspend or discontinue its service for (a) repairs or other necessary work on its mains or systems, (b) for nonpayment of bill in accordance with the R103-452 of the Commission's Rules and Regulations, as the same may be amended from time to time, and (c) for any of the following reasons:

- (a) For any misrepresentation as to the identity of the Customer making the application for service.
- (b) For violation by the Customer of any terms or conditions of the documents defining the obligations of the Company to provide service and the obligations of the Customer upon the receipt of service.
- (c) For the reason that the Customer's use of the Company's service is detrimental to the service of other Customers. This may cover a Customer's failure, directly or indirectly, to deliver Gas to the Company or the violation by the Customer of an Operational Order.
- (d) For the reason that the Customer's use of the Company's service conflicts with or violates orders, ordinances or laws of the State of South Carolina, or any subdivision thereof, or of the Commission or of any other governmental agency having jurisdiction over the Company or the Customer.
- (e) For the reason that piping, equipment, appliance or device is installed or in use on the Customer's premises which permits the gas to be used without passing through the Company's meter, or which prevents or interferes with the accurate measuring of the gas by the Company's meter other than when such gas use is authorized under a non-metered rate schedule.
- (f) For failure of the Customer to make, restore, or increase his or her deposit as required.
- (g) In the event of a condition determined by the Company to be hazardous.
- (h) In the event of tampering with the equipment furnished and owned by the Company.

Where the service has been discontinued for any reason except for the failure to pay for repairs or other necessary work by the Company, the Company shall have the right to refuse service at the same premises to any other applicant who is a member of the family of the former Customer, or who resided on said premises until the reason for

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discontinuance has been resolved. The Company may require reasonable proof of identity of the applicant of service.

24. Removal of Equipment. In the event of such discontinuation of service, the Company may enter the premises of the Customer at any reasonable time and remove the Company's meters, apparatus, appliances, fixtures or other property.

25. Non-Waiver of Default. Any delay or omission on the part of the Company to exercise its right to discontinue or suspend service, or the acceptance of a part of any amount due, shall not be deemed a waiver by the Company of such right so long as any default in whole or in part or breach of contract on the part of the Customer shall continue, and whenever and as often as any default or breach of contract shall occur.

26. Establishment of Credit by the Customer. The Company may require an applicant for service to satisfactorily establish credit pursuant to R103-431 of the Commission's Rules and Regulations.

27. Deposits. Pursuant to R103-431 of the Commission's Rules and Regulations the Company may require from any Customer or from any prospective Customer, a cash deposit intended to guarantee payment of bills for service. Interest paid on deposit and deposit retention will be in accordance with R103-433 and R103-436 of the Commission's Rules and Regulations.

28. Billing Procedure.

- (a) Meters will be read and bills rendered monthly on a cycle basis of not less than 28 days nor more than 34 days. All bills are due and payable at the office of the Company during regular business hours when rendered and become past due after twenty-five (25) days in the case of residential Customers and fifteen (15) days in the case of Customers other than residential, from the date the bill is rendered.
- (b) A late payment charge of one and one-half percent (1½%) per month will be applied to all Customers' balances not paid within twenty-five (25) days from the billing date.
- (c) The Company will endeavor to deliver to the Customer a monthly bill of the amount due to the Company by mailing said bill by first-class mail to the mailing address furnished by the Customer or, at the Customer's election, by sending the bill electronically by way of computer internet connection. Failure to receive a bill will not entitle the Customer to any extension of time for payment beyond the past due date.
- (d) Where a meter for any reason is not read at the regular reading date, the Company may estimate the amount of service used by referring to the Customer's

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consumption for a similar prior period. To the extent practicable, the Company will avoid sending the Customer two successive estimated bills; however, in cases of force majeure, as defined under Section 2(e) Definitions, bill estimates may be permitted for two successive billing periods, or greater. The Company will bill the Customer on the basis of the estimated use and will make any necessary adjustments when the meter is next read.

- (e) No claim or demand which the Customer may have against the Company shall be offset or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered, and all such sums shall be paid in accordance with the agreement regardless of such claim or demand.

29. Adjustment of Bills Due to Failure or Inaccuracy of Meter. Bills which are incorrect due to meter or billing errors will be adjusted as provided in R103-440 of the Commission's Rules and Regulations. Transportation Customers requiring adjustment to their bills for meter or billing errors shall be adjusted in accordance with R103-440 of the Commission's Rules and Regulations except for the commodity portion which shall be cashed out in accordance with Rate Schedule 207.

30. Returned Check Charge. Where the Customer makes payment for service by check which is not honored or paid by the bank, full payment will immediately be due and payable, and the Commission approved handling charge will be made.

31. Curtailment of Service. It is contemplated that the Company will from time to time find it necessary to curtail gas service to those Customers who purchase gas from the Company under interruptible rate schedules. In addition, unavailability of gas supplies, requirements of public safety or other factors beyond the control of the Company may make curtailment of any Customer necessary. In all such events, to the extent practicable, the Company will curtail those Customers paying the least margin per dekatherm first. If it is necessary to interrupt some but not all of the Customers paying the same margin per dekatherm, then, to the extent practicable, service shall be curtailed to the Customers paying the same margin per dekatherm on a pro rata basis.

32. Reconnection Fees. When service has been discontinued at the request of the Customer or a member of the Customer's family residing at the same residence, or for nonpayment of bills, and if reconnection is requested by the same Customer or a member of such Customer's family residing at the same residence, on the same premises within one year after date of discontinuance, the Commission-approved Reconnection Fees will be charged.

33. Applicable Rate Schedules. The Company will at all times have current rate schedules on file with the Commission. The rates contained in these rate schedules are subject to change from time to time as permitted by the Commission.

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34. Commercial Rate Service Classification. Commercial Rate Service Classification under the Company's Rate Schedules 202 and 252 shall be based on the following criteria:

A. Definitions: As used in Commercial Rate Service Classification, the following terms shall have the meanings assigned below:

- (1) "Annual Review Period" shall mean the twelve (12) months ended on December 31 of each year.
- (2) "Actual Annual Usage" shall mean the actual natural gas volumes consumed by the Customer during the Annual Review Period as reflected on the Company's invoices for the Customer.
- (3) "Classification Usage" shall mean the usage criteria that establishes the minimum and/or maximum average daily usage that must be maintained in order to receive service under a rate schedule. The classification usage for Rate Schedule 202 shall be less than an average of 20 dekatherms per day. The classification usage for Rate Schedule 252 shall equal or exceed an average of 20 dekatherms per day but be less than an average of 50 dekatherms per day.
- (4) "Involuntary Curtailment Days" shall mean those days or portions of days in a given Annual Review Period where curtailment of the Customer's natural gas service was imposed by the Company's decision to curtail.
- (5) "Service Days" shall mean 365 days less the number of Involuntary Curtailment Days.
- (6) "Average Daily Usage" shall be the Customer's Actual Annual Usage divided by the number of Service Days within the Annual Review Period.

B. Procedures:

- (1) At the conclusion of the Annual Review Period of each year and prior to June 1st of the ensuing year, the Company will determine for each Customer served under Rate Schedule 202 and Rate Schedule 252 that Customer's Average Daily Usage.
- (2) Those Customers currently receiving service under Rate Schedule 202 whose Average Daily Usage is equal to or exceeds 20 Dekatherms a

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day will be transferred to Rate Schedule 252 effective on the first day of June following the most recent Annual Review Period.

(3) Those Customers currently receiving service under Rate Schedule 252 whose Average Daily Usage in each of the most recent two (2) Annual Review Periods is less than 20 Dekatherms a day will be transferred to Rate Schedule 202 effective on the first day of June following the second, and most recent, Annual Review Period.

(4) Those Customers currently receiving service under Rate Schedule 202 or 252 whose Average Daily Usage in each of the most recent two (2) Annual Review Periods is equal to or greater than 110% of 50 dekatherms per day will be transferred to Rate Schedule 203, 204, 213, or 214 as applicable.

C. Exceptions: If a Customer currently being billed under Rate Schedule 202 adds natural gas equipment that increases the Customer's Average Daily Usage to the point where the Customer will qualify for Rate Schedule 252, the Company may, upon notification from the Customer and subject to installation verification by the Company, transfer the Customer to the new Rate Schedule prior to June 1 of that year.

35. Industrial Rate Service Classification. Rate service classification under the Company's Rate Schedules, 203, 204, 213 and 214 shall be based on the following criteria:

A. Definitions: As used in rate service classification, the following terms shall have the meanings assigned below:

(1) "Actual Annual Usage" shall mean the actual natural gas volumes sold or transported for the Customer by the Company as reflected on the Company's bills for that Customer.

(2) "Average Dekatherm per Day" shall mean the Actual Annual Usage of the Customer divided by the number of Service Days within the Review Period.

(3) "Classification Usage" shall mean the usage criteria that establishes the minimum and/or maximum average usage that must be maintained in order to receive service under any rate schedule. For existing Customers, the classification usage for Rate Schedule 202 shall not exceed an average usage of 50 dekatherms per day.

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For existing Customers, the classification usage for Rate Schedules 203, 204, 213 and 214 shall exceed an average usage of 50 dekatherms per day.

- (4) “Involuntary Curtailment Days” shall mean those days or portions of days in a given Review Period where curtailment of the Customer’s natural gas service was imposed by the Company’s decision to curtail.
- (5) “Review Period” shall mean the twelve (12) months ended on December 31, or the regularly scheduled meter reading nearest December 31.
- (6) “Service Days” shall mean 365 days less the number of Involuntary Curtailment Days plus the number of days that the Customer consumed an alternative fuel to natural gas.

B. Procedure:

Step 1. During January and February of each year, the Company will determine for each Customer served under Rate Schedules, 203, 204, 213 and 214 the Customer’s Average Dekatherm per Day usage for each of the two most recent Review Periods.

Step 2. A Rate Schedule 202 or 252 Customer whose usage is 110% of the 50 dekatherms threshold in the two most recent Review periods will be transferred to Rate Schedule 203, 204, 213 or 214, as applicable. A Rate Schedule 203, 204, 213 or 214 Customer whose usage is equal to or less than 90% of the 50 dekatherms threshold in both of the most recent two Review Periods will be transferred to Rate Schedule 202 or 252 as appropriate. Customers receiving service under Rate Schedules 203 or 204 shall be eligible to elect transportation service to be effective with the rate reclassification.

All changes in rate classification under this section shall be effective on the first day of June following the review.

Step 3. Customers who are reclassified shall be notified of the change in rate schedule, and receive a copy of the tariff sheets applicable to the Customer’s old and new rate schedules at least 21 days prior to the effective date of the change.

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- C. Exceptions: If a Customer adds or retires a major piece of gas-burning equipment, changes the hours of operations or otherwise materially alters the Customer's business that will clearly increase, or decrease, the Customer's consumption on an ongoing basis to a level that will change the Customer's ability to qualify the Customer for a particular rate schedule, the Customer shall report such changes to the Company and afford the Company an opportunity to inspect the change in equipment and to meet with the Customer to review and discuss the anticipated future level of consumption. If, after such inspection and meeting, the Company is satisfied that reclassification is appropriate, the reclassification will occur within two months after the new equipment is in place and operational, or the retirement is completed, and the first meter reading reflects the higher anticipated usage resulting from the new equipment or the lower anticipated usage resulting from the retirement. Any reclassification pursuant to this paragraph is subject to correction if actual experience so warrants. If the reclassification results in qualification for service under Rate 203 or 204, the Customer shall provide an election form one week prior to reclassification if a transportation election is desired. Otherwise, service will be provided under Rate Schedule 203 or 204, dependent upon rate qualification.
- D. Requirements: Upon reclassification from Rate 202 or 252 to either Rate 203, 204, 213, or 214, the Customer will be responsible for installing and maintaining, at the Customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment.

36. Limitation on Liability for Rendering Service on an Incorrect Rate Schedule. If it is determined that the Customer has been placed on an incorrect rate schedule, the Customer shall be placed immediately on the correct rate schedule and the Customer's bill shall be adjusted for such period (not to exceed 6 months) that the Customer was on the incorrect rate schedule. The Customer and/or Company shall have 90 days in which to pay any such adjustment. Except as herein provided, neither the Company nor the Customer shall have any liability to the other party with respect to the purchase and/or sale of gas under an incorrect rate schedule.

37. Agency Authorization. Certain Rate Schedules permit the Customer to authorize the Customer's Agent to act on its behalf with respect to nominations, imbalance resolution, and/or billing. In order to be considered the Customer's agent, the agent must execute and be in compliance with all the terms of the Customer Agent Agreement form.

ATTACHMENT B

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

PROPOSED DEMAND ALLOCATIONS

(dekatherms) Rate Schedule	Proforma Dekatherms (1)	Billing Demand Dekatherms (2)	Proposed Demand Rate (3)	Total Demand Revenue (4)	Demand Allocation Factor (5)
Residential Service - 201					
DTs - Winter	5,471,112		\$1.6379	\$8,961,134	41.39%
DTs - Summer	1,543,940		\$1.6379	\$2,528,818	11.68%
Total DTs	7,015,052			\$11,489,952	53.07%
Small General Service - 202					
DTs - Winter	2,774,360		\$1.3605	\$3,774,518	17.43%
DTs - Summer	1,479,811		\$1.3605	\$2,013,283	9.30%
Medium General Service - 252					
DTs - Winter	577,098		\$1.0713	\$618,248	2.88%
DTs - Summer	500,813		\$1.0713	\$536,520	2.48%
Natural Gas Vehicle Fuel Service - 242					
DTs - Winter	12,283		\$0.6619	\$8,131	0.04%
DTs - Summer	20,158		\$0.6619	\$13,343	0.06%
Experimental Motor Vehicle Fuel Service - 243					
Facilities Charge		reflected in customer's qualifying rate schedule			
Winter (Nov.-Mar.)		reflected in customer's qualifying rate schedule			
Summer (Apr.-Oct.)		reflected in customer's qualifying rate schedule			
Total DTs	5,364,524			\$6,964,043	32.17%
Large General Service - Sales 203					
Demand DTs		41,234	\$8.0000	\$329,872	1.52%
First 1,500	149,041		\$0.5600	\$83,463	0.39%
Next 1,500	98,542		\$0.4700	\$46,314	0.21%
Next 7,500	85,459		\$0.3600	\$30,765	0.14%
Next 16,500	0		\$0.2000	\$0	0.00%
Next 33,000	0		\$0.1000	\$0	0.00%
Over 60,000	0		\$0.0500	\$0	0.00%
DTs - Winter	333,042				
First 1,500	189,785		\$0.5600	\$106,280	0.49%
Next 1,500	102,781		\$0.4700	\$48,312	0.22%
Next 7,500	78,901		\$0.3600	\$28,404	0.13%
Next 16,500	0		\$0.2000	\$0	0.00%
Next 33,000	0		\$0.1000	\$0	0.00%
Over 60,000	0		\$0.0500	\$0	0.00%
DTs - Summer	371,477				
Large General Service - Transportation 213					
Demand DTs		112,049	\$3.0000	\$336,147	1.55%
Standby DTs		0	\$4.5000	\$0	0.00%
First 1,500	265,747		\$0.3500	\$93,011	0.43%
Next 1,500	217,315		\$0.2500	\$54,329	0.25%
Next 7,500	279,055		\$0.2040	\$56,927	0.26%
Next 16,500	125,247		\$0.1000	\$12,524	0.06%
Next 33,000	35,188		\$0.0550	\$1,936	0.01%
Over 60,000	0		\$0.0500	\$0	0.00%
DTs - Winter	922,552				
First 1,500	364,189		\$0.3500	\$127,467	0.59%
Next 1,500	245,072		\$0.2500	\$61,269	0.28%
Next 7,500	314,096		\$0.2040	\$64,076	0.30%
Next 16,500	114,149		\$0.1000	\$11,415	0.05%

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2017

PROPOSED DEMAND ALLOCATIONS

(dekatherms)	Proforma Dekatherms (1)	Billing Demand Dekatherms (2)	Proposed Demand Rate (3)	Total Demand Revenue (4)	Demand Allocation Factor (5)
Rate Schedule					
Next 33,000	13,804		\$0.0550	\$760	0.00%
<u>Over 60,000</u>	<u>0</u>		<u>\$0.0500</u>	<u>\$0</u>	<u>0.00%</u>
DTs - Summer	1,051,310				
Interruptible Service - Sales 204					
First 1,500	107,212		\$0.7800	\$83,625	0.39%
Next 1,500	86,436		\$0.7000	\$60,504	0.28%
Next 7,500	109,379		\$0.6000	\$65,628	0.30%
Next 16,500	74,566		\$0.5100	\$38,029	0.18%
Next 33,000	1,853		\$0.4000	\$742	0.00%
<u>Over 60,000</u>	<u>0</u>		<u>\$0.3000</u>	<u>\$0</u>	<u>0.00%</u>
DTs - Winter	379,446				
First 1,500	138,184		\$0.7800	\$107,783	0.50%
Next 1,500	102,004		\$0.7000	\$71,403	0.33%
Next 7,500	120,036		\$0.6000	\$72,022	0.33%
Next 16,500	67,719		\$0.5100	\$34,536	0.16%
Next 33,000	0		\$0.4000	\$0	0.00%
<u>Over 60,000</u>	<u>0</u>		<u>\$0.3000</u>	<u>\$0</u>	<u>0.00%</u>
DTs - Summer	427,943				
Interruptible Service - Transportation 214					
First 1,500	303,319		\$0.4000	\$121,328	0.56%
Next 1,500	284,729		\$0.3500	\$99,655	0.46%
Next 7,500	741,803		\$0.2500	\$185,451	0.86%
Next 16,500	360,522		\$0.1330	\$47,949	0.22%
Next 33,000	22,145		\$0.1000	\$2,215	0.01%
<u>Over 60,000</u>	<u>0</u>		<u>\$0.0500</u>	<u>\$0</u>	<u>0.00%</u>
DTs - Winter	1,712,518				
First 1,500	419,687		\$0.4000	\$167,875	0.78%
Next 1,500	357,134		\$0.3500	\$124,997	0.58%
Next 7,500	868,677		\$0.2500	\$217,169	1.00%
Next 16,500	303,143		\$0.1330	\$40,318	0.19%
Next 33,000	3		\$0.1000	\$0	0.00%
<u>Over 60,000</u>	<u>0</u>		<u>\$0.0500</u>	<u>\$0</u>	<u>0.00%</u>
DTs - Summer	1,948,644				
Total Billing Demand		153,283			
Total DTs	7,146,932			\$3,034,500	14.02%
Special Contracts				\$ 160,838	0.74%

DEMAND REVENUE \$ 21,649,333 100.00%